

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION **PROGRAM:** Commerical Services

PERIOD: October 1, 2007 to September 30, 2008

BUREAU MISSION STATEMENT

The Bureau of Commercial Services serves to protect the health, welfare and safety of Michigan citizens and to encourage the growth of business in Michigan, while at the same time protecting consumers.

The Bureau of Commercial Services was reorganized this Fiscal Year 2008. The Bureau now has five major areas of responsibility: the Corporation Division, the Enforcement Division, the Licensing Division, Policy & Administrative Services, and the Legal Affairs Division that also houses the Office of the State Cemetery Commissioner. The first four major areas directly report to the Bureau's Deputy Director. The fifth major area, Legal Affairs and State Cemetery Commissioner, report to the Bureau Director.

The Corporation Division is divided into two sections, the Document Review Section and the Business Services Section. The Enforcement Division is divided into two sections, the Technical & Investigative Section and Ski-Carnival-Amusement Ride Inspection Section. The Licensing Division is organized into four units, each administering several licensing boards. Policy & Administrative Services contains five specialized operational activities: Audit, Construction Lien Recovery Fund, Final Order Monitoring, Testing & Educational Services, which handles testing functions for the Bureau's various occupations as well as support for some areas outside of the Bureau, and Policy & Central Administration. The Legal Affairs Division has a Support Unit that provides assistance to agency staff attorneys and assistant attorneys general as well as the Office of the State Cemetery Commissioner.

FUNDING SOURCE FOR COMMERCIAL SERVICES

FUNDING SOURCE

Corporation Fees
Limited Liability Partnership Revenue
Certification & Copying fees
Real Estate Education Fund
Real Estate Appraiser Continuing Education Fund
Licensing & Regulation Fees
Construction Lien Fund
Accountancy Enforcement Fund

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LEGAL BASIS

Corporation Division:

P.A. 284 of 1972 (Business Corporation Act)

P.A. 162 of 1982 (Nonprofit Corporation Act)

P.A. 213 of 1982 (Michigan Revised Uniform Limited Partnership Act)

P.A. 72 of 1917 (Uniform Partnership Act)

P.A. 23 of 1993 (Limited Liability Company Act) and various other related statutes

P.A. 13 of 1935 (created Michigan Corporation & Securities Commission and transferred powers and duties then vested in the Secretary of State.

P.A. 380 of 1965, Section 227, transferred the operations of the Corporation Division to the Department of Commerce pursuant to Executive Order No. 1965-22-A, the transfer became effective January 1, 1966.

P.A. 380 of 1965, Section 90, as amended by P.A. 324 of 1966, effective July 19, 1966, transferred the powers and duties relating to corporations to the Department of Treasury.

Executive Order No. 1972-4, effective July 1, 1972, transferred powers and duties relating to corporations from the Department of Treasury to the Department of Commerce.

The Revised Uniform Limited Partnership Act, P.A. 162 of 1982 transferred responsibility for formation and statutory administration of limited partnership act from the counties to the Department of Commerce.

Executive Order No. 1991-2 transferred from Treasury to Commerce the responsibility for collection of the corporate privilege and franchise fees and license fees collected by the Corporation and Securities Commission.

The Uniform Partnership Act, P.A. 72 of 1917, was amended by P.A. 323 of 1994, Section 48(6) creating registration of limited liability partnerships with the Department of Commerce.

Executive Order No. 1996-2 renamed Department of Commerce to the Department of Consumer and Industry Services.

October, 2000 the Corporation Division moved to the Bureau of Commercial Services.

Executive Order No. 2003-18 renamed Department of Consumer and Industry Services to Department of Labor & Economic Growth.

Enforcement Division, Licensing Division and Administrative Services Division:

PA 299 of 1980 (Occupational Code) MCL 338.101 et seq.

PA 152 of 1979 (State License Fee Act) MCL 338.2201 et seq.

PA 497 of 1980 (Construction Lien Act, Recovery Fund provisions) MCL 570.1101 et seq.

PA 259 of 1931 (Building Contract Fund) MCL 570.151 et seq.

PA 251 of 1968 (Cemetery Regulation Act) MCL 456.521 et seq.

PA 199 of 1962 (Ski Area Safety Act) MCL 408.322 et seq.

PA 225 of 1966 (Carnival Amusement Safety Act) MCL 408.651

PA 172 of 1972 (Forensic Polygraph Examiners) MCL 338.1701 et seq.

PA 255 of 1986 (Prepaid Funeral & Cemetery Sales Act) MCL 328.211 et seq.

PA 330 of 1968 (Private Security Business and Security Alarm Act), MCL 338.1051

PA 285 of 1965 (Professional Investigator Licensure Act), MCL 338.821

PA 161 of 2004 (Immigration Clerical Assistants Act)

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PA 403 of 2004 (Michigan Boxing Regulation Act) MCL 338.3601 et. seq.
PA 286 of 1972 (Land Sales Act) MCL 585.801 et. seq.
PA 263 of 2005 (Vehicle Protection Product Warrantors) MCL 257.1241 et. Seq.

ADMINISTRATIVE RULES

License and Registration Renewals, R 339.1001 et seq., Michigan Administrative Code.
Disciplinary Proceedings, R 339.1701 et seq., Michigan Administrative Code.

CUSTOMER IDENTIFICATION

General public, certified public accountants, attorneys, businesses, or any entity who wishes to create or update its file. General public, businesses, governmental agencies, credit agencies, attorneys, court systems, investigative agencies and any customers who would need information about entities, certificates or copies of these records. Any citizen who purchases or relies on a service provided by a licensee.

ORGANIZATION CHART

See attached organization chart.

DIVISION RESPONSIBILITIES**Corporation Division:**

The Corporation Division is charged with promoting economic development and growth by facilitating the formation and development of business entities in Michigan while ensuring compliance with reporting and registration requirements.

Enforcement Division:

The Enforcement Division is responsible for the regulation, investigation, and prosecution of consumer complaints filed against licensees for various code and rule violations as well as fraudulent business practices. The Enforcement Division, in conjunction with the Boards, are charged with the responsibility for taking appropriate criminal, civil or administrative sanctions necessary to protect the health, safety and welfare of the citizens of Michigan.

The Enforcement Division is divided into two functional units of Technical and Investigative Services, and Ski-Carnival-Amusement Ride Inspection. The division handles a wide range of enforcement activities involving about 31 different commercial occupations and professions, including those relating to inspections for boxing events, ski areas, carnival, and amusement park rides throughout the State.

It is the responsibility of the Division to investigate allegations made against licensees that come from outside the agency, as well as to initiate actions from internal sources. Two aspects of the enforcement function that significantly impact efficiency are the sheer volume of complaints and the diversity of the occupations and professions. Investigators must have a working knowledge of occupations ranging from architecture to cosmetology and handle several cases at one time. Inspectors are responsible for ensuring the safety of carnival rides, ski areas, professional boxing matches, barber, and cosmetology and mortuary science establishments.

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Whether performing pro-active inspections or reacting to consumer complaints, the Enforcement Division is responsible for protecting the public from incompetent practitioners, ensuring the safety of important tourist attractions, and making sure that consumers' financial investments in various businesses are protected

Licensing Division:

The Licensing Division reviews applications, issues licenses, processes renewals, administers continuing education, and maintains licensing records for 31 occupations regulated by the Bureau.

Administrative Services Division:

The Administrative Services Division administers the Bureau's Audit Program of those licensees who are required by statute to maintain trust/escrow accounts. The audits are conducted on a complaint, routine or random basis. In addition, this division is responsible for administering the Homeowner Construction Lien Recovery Fund, monitoring compliance with administrative Final Orders, investigating all complaints against Certified Public Accountants, administering the Bureau's Information Sales Program, handling the testing functions for the various occupations through the Testing and Education Services unit, and providing centralized support functions to the bureau.

Legal Affairs Division & Office of the State Cemetery Commissioner:

The Division administers compliance and hearing proceedings, Freedom of Information Act requirements, court appeals & litigation support, and agency representation including services provided by the Department of Attorney General for contested case hearings. The Division works closely with all Bureau areas to provide assistance on legal matters and to prosecute agency cases; it also coordinates activities with the State Office of Administrative Hearings & Rules (SOAHR) for the scheduling of due process hearings. The Division's director also serves as the State Cemetery Commissioner, as a designee of the Department Director, and is responsible for coordinating the administration of cemetery regulation within the State.

DIVISION ACCOMPLISHMENTS – FY 2008**CORPORATION DIVISION:**

Corporation Division is organized into two sections, Document Review and Business Services. Document Review processes documents to create new business entities and subsequent documents such as amendments, restated articles, and mergers. Business Services is the phone center for the Division and provides support to paraprofessional and professional staff, staffs the reception desk, reviews annual reports and statements, updates and maintains records on data base, stores and retrieve documents, and completes orders for copies and certificates. In Document Review section, approximately 12,261 documents were submitted on an expedited basis and the goal is to meet customer's request for the requested level of expedited service. Review of 100% of nonexpedited documents was completed within 10 days.

Expedited Service – Implemented expedited service provided for in Public Acts 217-220 of 2005, took effect on January 1, 2006 and provided expedited service of 1 hour, 2 hour, same day or 24-hour service when requested by customer. As of September 30, 2008, the Corporation Division has reviewed 12,261 documents accompanied by a request for expedited service and collected \$835,336 in expedited fees.

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Automatic Call Distribution - Calls are received through an automatic call distribution system ("ACD") and routed to the next available clerk. The ACD allows clerks to log in and out throughout the day as demand increases or decreases. Expand training for the staff; callers receive assistance from the person answering the telephone instead of having to be transferred to someone else.

Business Services Unit – Units A and B are assigned all corporation renewals of existence and Limited Liability Company restorations of good standing. Departmental Technicians within the specific units have been cross trained to process all renewals, restorations and related documents from start to finish.

Collection of Unpaid Invoices – Staff continues to collect on past due invoices by sending a past due invoice and a notice that future orders will be delayed until payment is received. For October, 2007 through September, 2008 past due notices were sent every month and a total of 94.7% in fees have been collected. In FY 07 a total of 85% of the fees were collected.

Managing Software and Hardware Issues – In December, 2007, name availability program was added to the Corporation Division's website. Division Director and staff member attended the Department's Consumer's Corner taping demonstrating the Name Availability program, FILEOnline and the Business Entity Search program. The press used it to publicize the Division's new services all over the State of Michigan. New flat screen monitors and keyboards were installed in the spring. Website was modified by adding "How Do I...." which shortened the web page and provided a quick and easy way for customers to find information on the Division's website. Added a new email address for renewals and restorations to assist customers that want to renew their corporation or restore their LLC back to good standing. Changed Mich-Elf procedures for filer accounts in order to keep credit card information secure. Deleted temporary files containing credit card information. Removed corporation annual reports that contained

identifying information from the website. Modified the FILEOnline program on the Division's website to collect penalty fees starting on May 16, as required by the Business Corporation Act.

Communication to staff and Training – Continued use of single topic policy meetings held approximately once a month to keep staff apprised of changes and to provide other information important to the core functions of both Business Services and Document Review. Input and suggestions were solicited from staff to determine what topics would be most beneficial and managers and administrative staff also identified other topics appropriate to communicate to the entire Division. The categories of topics include:

- Frequent meetings were held with small groups regarding policies and procedures, rewrite, effective dates, and redaction.
- Miller - vs.- Allstate – Provided staff with information related to the Supreme Court decision, its impact on corporation and LLC filings, how to handle inquiries, and changes required as a results of the decision.
- Provided staff with demos of rewrite prototypes, including Business Entity Search, name availability, indexing and shopping cart.
- Provided small group training to staff to handle customer inquiries on amendments to the Nonprofit Corporation Act.
- P.A. 9 and P.A. 222 of 2008.

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ENFORCEMENT DIVISION:

Title XI, Sec 1119 – Requires that State agencies provide federal agencies or U.S. Government-sponsored agencies with a report on disposition of appraisal cases that these agencies refer to states. It was reported in the 2007 “program description document” that complaints from such agencies as HUD, Fannie Mae, and Freddie Mac were not being recorded in these names in the database and would be corrected.

To resolve this problem, on October 23, 2006, the Enforcement Division added a category in the participant's section of the person's tab of the complaint module called, "Gov Sponsored Institution". When referrals of complaints against real estate appraiser's are received, staff now complete this section on "Gov Sponsored Institutions" for the referring agency, along with other relevant data, if the names are not recognized as the complainant. Notices are now being sent to these institutions to the extent they are indicated in the complaint module as complainants or participants.

The Appraisal Subcommittee – Requires that all real estate appraiser complaints are fully adjudicated within 1 year of receipt by the agency. In order to work toward achieving this requirement, just prior to the beginning of the last fiscal year, the agency hired a contract appraiser to assist with the investigation of appraisal complaints. As a result, in fiscal year 2007/2008, the agency saw positive performance results, significant reduction in the age of complaints and reduction in the average caseload by workers.

Occupational Code Amendment – Legislation was signed into law in the fiscal period amending the Occupational Code, 1980 PA 299, with significant impact on residential builders and residential maintenance and alteration contractors. On December 21, 2007,

amendatory sections that affect the unauthorized practice of Article 24 profession became effective. On June 1, 2008, Article 24 amendments that added, amongst others, a definition for workmanship, redefined the 18-month jurisdiction and added a requirement that building inspection reports be prepared in affidavit format in matters involving alleged violations of workmanship standards, became effective. These changes resulted in significant policy initiatives within the agency.

Unarmed Combat Regulatory Act – Legislation was signed into law, effective in March 2008, making mixed martial arts legal in the state. The practice of amateur mixed martial arts is exempt and promises to cause some enforcement difficulties. At the same time the Michigan Boxing Regulation was renamed the Michigan Unarmed Combat Regulatory Act.

The new legislation has not been fully implemented respective to the mixed martial arts events because rules have not been developed for certification and licensure qualification requirements for officials and for enforcement standards and procedures for competitors. Rules are currently being drafted.

Unlicensed Activity Issue – The agency's policy that addresses unlicensed activity was revised in March 2008. The policy is more proactive and reflects the best measure to affect the intent of the amendatory legislation, the Occupational Code, 1980 PA 299. Accordingly, complaints in general, and more specifically Article 24 complaints that allege unlicensed activity practice, are investigated similarly to how complaints against licensees are worked at the investigation level: Customary notices are sent to the parties, evidence collected and a preliminary determination made at the investigation level. Investigation results are then referred to County Prosecutors on advice of the Assistant Attorney General.

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Unlicensed Activity – Section 39 of the State License Fee Act, 1979 PA 152, and MCL 338.2201, was amended in 2008 to provide funding for the prosecution of unlicensed activity in Article 24 professions. The Builder's Enforcement Fund is created under the Fee Act and provides for enforcement of article 24 violations of the occupational code regarding unlicensed activity and to reimburse the attorney general or prosecuting attorneys for expenses incurred in conducting prosecutions of such unlicensed practice. This became effective June 1.

Motorized Vehicle Use Policy, Ski Area Safety Act Rulemaking – The motorized vehicles at ski areas rulemaking initiatives by the Unit, the Ski Area Safety Board and industry representatives were adopted in fiscal year 2008, with effect on September 25, 2008. It is a more workable alternative to an amendment to the Ski Area Safety Act proposed by the family of a boy killed in a collision with a ski patrol snowmobile in 2006. The corpus of the rule requires ski operators to develop a written policy that addresses training required for anyone to operate authorized vehicles on open ski slopes, runs, or trails, and establishes that motorized vehicles satisfy certain equipment requirement.

Enforcement Website and Bulletin Board – During the fiscal period, the Enforcement Division created and established a website of frequently asked questions and answers with the idea in mind that it will serve as an educational tool to the general public as to how we may help with its concerns in the areas of our regulation. The site does not currently have the design we hope and is still being developed.

LICENSING DIVISION:

Business Activity

As of the end of the fiscal year, the division was responsible to license and regulate 31 occupations. It collected almost \$19 million dollars in fees during the fiscal year 2008. During fiscal year 2008, 124,072 license renewal applications were processed for occupations including accountancy, cosmetology, collection agencies, residential builders and maintenance and alteration contractors, architects, professional engineers and professional surveyors among others. A total of 32,380 applications which consist of licensure, registration, listing, permit, relicensure, re-registration, reinstatement, or reciprocity where the applicant does not hold a current active Michigan license were received. A total of 312 applications for licensure were denied. Fourteen percent of the new applications were received through electronic filing. Also during fiscal year 2008, 124,078 licenses were renewed, of which 34% were received through electronic filing.

The 17 gubernatorial appointed board held a total of 49 board meetings.

Licensing Database Improvements

The Licensing Division continues to work with the Department of Information Technology (DIT) on a new license database (COLA) to meet current program needs. The first occupation, real estate, was migrated to the new database in August 2007. Additionally, as a companion to COLA, a software application called iCOLA has been developed to allow real estate salesperson to file their license application or license transfer application on-line. Cosmetologists and barbers are also able to file electronic applications on-line. Most of the 31 occupations regulated by the bureau are able to process address changes via an electronic application through the division's legacy system License 2000. Development continues with the goal to have all 31 occupations in the new COLA database with electronic application capabilities in iCOLA.

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Accomplishments

Staff in the Accountancy Unit collaborated with the Michigan Association of Certified Public Accountants (MACPA) to educate CPAs regarding their license renewal requirements and to inform and encourage online renewal. The MACPA provided kiosks at continuing education seminars facilitating online renewal. The project successfully increased online license renewals to 48% from 24% for the previous renewal cycle.

PA 1 of 2007 amended Article 7 of the Occupational Code, MCL 339.729 to phase-in the requirement for certain accountancy firms and sole proprietors to provide proof of participation in a peer review as a condition of license renewal.

2008 PA 161 effective June 11, 2008 amended Article 7 of the Occupational Code to allow licensed CPAs to practice across state lines without seeking a separate license in each state, provided he or she has met substantially equivalent requirements.

2004 PA 403 was amended effective March 27, 2008 to change the name of the Act from the Michigan Boxing Regulatory Act to the Unarmed Combat Regulatory Act. It also adds regulatory authority to license mixed martial arts.

The format of the pocket ID cards issued to Michigan professional boxers was improved and streamlined.

Approximately 12,826 new applications were processed as the result of an amendment to the builders licensing statute.

The real estate licensing program improved its efficiency in processing new applications through the implementation of a new database known as COLA, which allows the applications to apply over the internet. Once staff approves the applicant to sit for the examination, the applicant contacts the examination vendor, PSI, who schedules the examination. Upon passing the examination, the successful applicant leaves the test site with a photo pocket license identification card. The photo pocket license has been well received by the industry.

Licensing staff established a booth and participated in the Michigan Association of Realtors® Expo in Detroit. Informational pamphlets regarding licensing, education, examinations and various other DLEG facts were distributed to the public.

Article 26 of the Occupational Code was amended September 29, 2006 to adopt the AQB criteria for real estate appraiser licensure beginning January 1, 2008. See MCL 339.2601; 339.2605; 339.2610; 339.2611; 339.2613; 339.2617; 339.2621; 339.2627; and 339.2633.

On January 2, 2008, began applying the new federal real estate appraiser licensure education and experience criteria for real estate appraiser licensure as mandated by the Appraiser Qualifications Board (AQB), a federal agency. The criteria significantly increased the education requirements to qualify for real estate appraiser licensure from any previous AQB criteria.

Staff processed 470 real estate appraiser upgrade applications to qualify for licensure based on federal statutory education and experience requirements that became effective January 1, 2008.

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A package of bills affecting Michigan Residential Builders and Maintenance & Alteration (M&A) Contractors was signed into law on December 20, 2007. Many of the new changes took effect June 1, 2008. Highlights of the new legislation include:

- New applicants applying for a residential builder or maintenance & alteration (M&A) contractor license are required to complete 60 hours of approved prelicensure education courses and must submit a copy of their driver license or state personal identification card with their application.
- Continuing competency is required of all licensed builders and M&A contractors, with the number of hours dependent on the length of time the individual has held a license.
- All individuals serving as a Qualifying Officer for a corporation, limited liability company or partnership must hold an active license as an individual residential builder or M&A contractor.
- The annual license fee was increased and the renewal cycle was lengthened to 3 years from a 2-year cycle.
- Criminal penalties for a person who operates as a residential builder or a residential maintenance and alteration contractor without a license were increased. Seizure and forfeiture provisions were added to the law for those convicted of unlicensed activity.
- A Builder Enforcement Fund was established and a portion of all builder license fees will be deposited into the fund to be used for investigation and prosecution of unlicensed activity.

The Occupational Code was amended on October 1, 2007 to add 2006 PA 489, Article 29, to require registration of auctioneers. 2006 PA 490 also effective October 1, 2007, amended the State License Fee Act to authorize and establish registration and application fees for auctioneers. The statute established the Board of Auctioneers with the requirement that 6 of the 9 members must be registered auctioneers. During the fiscal year, 36 auctioneer registrations were issued. To date no examinations have been administered by PSI as all applicants have qualified by the grandfather provisions. Administrative rules have been drafted to further implement and clarify the registration provisions, and are in process.

Effective May 28, 2008, the Professional Investigator Licensure Act, Act 285 of 1965, was amended and replaced the Private Detective License Act of 1965. The amendment renamed the occupation to professional investigators, changed the licensure eligibility requirements and included computer forensics into the definition of investigation business.

Administrative Rules

Residential Builders and Maintenance and Alteration Contractors Administrative Rules, R 338.1521a, R 338.1560, and R 338.1562 were added to the Michigan Administrative Code on June 11, 2008. The rules establish qualification criteria for instructors of prelicensure and continuing competency courses and minimum requirements for course instructors and sponsors/schools.

On May 9, 2008, a Public Hearing was held regarding proposed administrative rules concerning motorized vehicle use in ski areas. This amendment to the rules was the result of negotiations with legislative offices reacting to the Vachon family who lost their son Timothy in an accident with a snowmobile on a ski slope in Michigan. On September 25, 2008 the motorized vehicle use rules became effective.

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Real Estate Appraiser Administrative Rule, R 339.23101, Rule 101(g) was adopted effective January 1, 2008. The rule requires real estate appraisals to be performed in accordance with the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation, effective January 1, 2008.

Amendments to the Accountancy Rules in the State Administrative Code became effective March 1, 2008 further detailing the peer review requirements. The Department is currently working in conjunction with board members and the MACPA on new administrative rules to address when a license must be obtained when "practice privilege" is not applicable.

Rules have been drafted and are in process to define implementation of the Unarmed Combat Commission and the licensing and regulation requirements.

Automatic Call Distribution

Calls are received through an automatic call distribution system ("ACD") and routed to designated units to obtain program information or to hear recorded messages that provide routine information for the office mailing address, driving directions to the office, and occupations in renewal. Data is unavailable for the total number of calls received through ACD during FY08.

ADMINISTRATIVE SERVICES DIVISION:**Audit Section:**

During fiscal year 2008, the **Audit Section** completed 89 audit files. Auditors review and analyze trust fund accounts and business practices of real estate brokers, privately owned cemeteries, collection agencies, prepaid funeral contractors and residential builders. The Audit Section also has been involved in an extensive financial investigation of cemetery financial practices. The Audit Section continues to be involved in two large scale investigations of missing \$75 million in trust funds from 31 cemeteries. These investigations involve multiple states and the federal government. The Audit Section is also involved in two large scaled pre-paid funeral financial investigations.

Homeowner Construction Lien Recovery Fund & Support Services Section:

The Administrative Services Division also administers the **Homeowner's Construction Lien Recovery Fund (HCLRF)**, which was created by the Legislature in 1982 to provide a means of redress in the event that all debts owed on a home building or remodeling project were not paid by the licensed contractor. Every licensed residential builder, electrician, plumber and mechanical contractor is required to contribute to the Fund as a condition of state licensure. Subcontractors, suppliers and laborers may also join and participate in the benefits of the Fund. Current active membership in the fund is approximately 159,963. During the last year, the Construction Lien Fund received 494 new claims and made payments on 95 claims totaling approximately \$1,235,953 leaving a balance in the Fund of \$2,211,079 as of September 30, 2008. The HCLRF Program has hired a new analyst to provide assistance on the increased workload.

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The **Final Order Compliance Monitoring** was responsible for setting up and monitoring 665 new final orders during the fiscal year, which included \$1,887,200 in fines. In addition, the unit has approximately 4,445 final orders that are being currently monitored as of September 30, 2008. The unit collected \$335,000 during FY 2008. In September 2007, the webpage was created to post copies of Final Orders issued against Residential Builder and M & A Contractors Final Orders, pursuant to section 339.2411a under the Occupational Code, Public Act 299 of 1980 as amended, Builders Laws and Rules.

During Fiscal Year 2008, the **Scanning/Imaging** staff within the division imaged 386,125 records that are now available for staff to view on-line through the Alchemy program.

The **Informational Sales Program** received 554 inquiries and completed 245 sales, totaling \$49,263.60 in revenue.

Testing, Education and Program Services Section

The **Testing, Education and Program Services Section** the following accomplishments during FY 2008:

- 1) Implemented the Residential Builders and Maintenance & Alteration Contractors Prelicensure Course Approval Program in consultation with the Licensing Division, the Enforcement Division, the Proprietary School Unit and the Michigan Home Builders Association.
- 2) Amended CPA National Examination Contract with NASBA to increase candidate fees per examination section.
- 3) Attended Association of Appraiser Regulatory Officials (AARO) and Appraiser Qualifications Board (AQB) Meetings, in order to discuss Board and Department concerns with the new National Uniform Licensing and Certification Examinations that are developed by the AQB.
- 4) Completed extensive revisions of the Hearing Aid Dealers Salesperson Theory and Practical examinations and the Hearing Aid Dealer Theory examination.
- 5) Participated in the PSI Examination Review Committee for Polygraph Examiner oral examination.
- 6) Participated in the PSI Examination Review Committee for Barber & Cosmetology Practical examinations.
- 7) Amended the Real Estate/Appraisers, Low Volume Contact with PSI to include an Auctioneers examination and increase the Appraiser candidate examination fees because of the change to the National AQB examinations.
- 8) Participated in the PSI Examination Review Committee Residential Builders Business/Law examination.
- 9) Participated in the PSI Examination Review Committee Residential Builders Maintenance & Alteration Trades examinations. Worked with PSI to successfully transition the Residential Builders examination program on June 1, 2008. Provided 2,804 Business/Law examinations and 3,511 Practice/Trades examinations from January through May, 2008.
- 10) Worked with PSI to update the Residential Builder Practice/Trade Exam and M&A Trades Exams because of the changes to MI Residential Building Code 2006 effective 8-1-08.
- 11) Revised Real Estate Prelicensure Sponsor/Course approval materials.
- 12) Develop guidelines for Residential Builder and Maintenance & Alteration Prelicensure Sponsor/Course approval materials.
- 13) All continuing education for Real Estate Brokers and Salesperson and Real Estate Appraisers is being electronically reported and imported.

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- 14) Electronic course offering ID mailings.
- 15) Made significant changes in COLA/iCOLA that allowed for greater efficiencies to be attained in online services
- 16) Consolidated IT service positions under one central unit to provide more effective oversight of bureau IT services.
- 17) Added Auctioneer licensing program to COLA/iCOLA.
- 18) Proved assistance to streamline examination application processes for barber and cosmetologists.
- 19) Expanded online services for real estate salespersons and brokers by offering online license applications, address changes, duplicate license requests and transfers.

LEGAL AFFAIRS DIVISION & OFFICE OF THE STATE CEMETERY COMMISSIONER:

The Division, newly formed in March 2008, successfully assumed additional responsibilities with the addition of the Office of the State Cemetery Commissioner, and the on-going litigation, pending legislation, and the conservatorship over the 28 Indian Nation/Clayton Smart cemeteries and Chapel Hill/Nelms. This was amid a rise in the number of normal activities handled by the legal area. Comparative figures from last fiscal year to this fiscal year are provided below:

<u>HEARINGS</u>	<u>FY 2007-2008</u>	<u>FY 2006-2007</u>
Hearings Held:	424	405
New Hearings Opened:	577	514
Hearings Closed:	568	430
Other Hearing actions per SOAHR*:	478	356
* Adjournments, cancellations		
<u>COMPLIANCE CONFERENCE SCHEDULED</u>	511	497
<u>FINAL ORDERS SERVED</u>	663	518*
<u>FORMAL COMPLAINT SERVICE</u>	735	781*
* About 60 complaints serviced in December 2006 were related to the Indian Nation Cemeteries.		
<u>FOIA</u>		
Requests	432	457
Billing Amount	\$7,979	\$15,608

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DIVISION MISSION STATEMENTS – FY 2008

CORPORATION DIVISION PROGRAM MISSION STATEMENT

The Corporation Division promotes economic development and growth by facilitating the formation and development of business entities in the State of Michigan. Further, the Bureau enables domestic and foreign corporations, limited partnerships, limited liability partnerships and limited liability companies to transact business in the State. The Corporate Services program consists of forty-three (43) full time positions that are allocated to the Corporation Division. Within the Corporation Division, the program is divided into the Document Review Section and the Business Services Section. During fiscal year 2008 this program generated over \$21,525,571.43 in revenue.

The Document Review Section provides services that enable domestic corporations, limited partnerships, limited liability partnerships and limited liability companies to be formed and foreign entities to qualify to transact business in the State. Articles of Incorporation, Certificates of Limited Partnership and Articles of Organization are reviewed and filed by this Section. Review requires extensive knowledge of corporation and partnership law and a thorough knowledge of the Bureau policies, guidelines, and procedures. During fiscal year 2008 there were twenty one thousand three hundred thirty four (21,334) new corporations, forty six thousand six hundred twenty six (46,626) limited liability companies, one hundred seventy six (176) limited partnerships, one hundred seventy eight (178) limited liability partnerships were formed. The Document Review Section registered eight hundred and six (806) trademark applications.

Each corporation and Limited Liability Company is required to file an annual report and annual statement. The Business Services Section filed four hundred thirty five thousand five hundred thirty seven (435,537) annual reports for corporations and annual statements for Limited Liability Companies and there were fifty six thousand four hundred thirteen (56,413) filed online in fiscal year 2008 which generated approximately \$13,753,130.26.

The Business Services Section responded to once hundred eighty three thousand six hundred seventy five (183,675) telephone inquiries for name availability and general information on corporations, limited partnerships and limited liability companies in fiscal 2008. In addition, they received six thousand thirty two (6,032) requests by fax. The Business Services Section also receives requests for copies of documents. During fiscal 2008, they received over thirty thousand seven hundred nine (30,709) orders. Records for corporation documents, partnership documents, limited liability company documents and annual reports are maintained on computer and each transaction represents one or more computer entries. All documents and annual reports are stored on microfilm and optical disk. Presently, records are maintained for seven hundred forty seven thousand three hundred forty two (747,342) active corporations, limited liability partnerships, limited partnerships and limited liability companies

ENFORCEMENT DIVISION PROGRAM MISSION STATEMENT

The Enforcement Division is responsible for regulatory oversight and the investigation and prosecution of consumer complaints filed against licensees involving various statutory and rule violations. The Division works with gubernatorial appointed occupational and professional licensing boards to ensure appropriate criminal, civil, or administrative actions are taken to protect the health, safety and welfare of the citizens of Michigan.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

The Division is divided into two operational Units and the Director's Administration: Technical and Investigative Services and the Ski-Carnival-Amusement Ride Inspection. The Division handles a wide range of enforcement activities amongst 31 different commercial occupations and professions, a boxing program and five inspectional programs: barber establishment, cosmetology establishment, funeral establishment, ski area safety inspection and carnival amusement inspection.

The Enforcement Division is sensitive to the needs of its constituents to adjudicate complaints timely and efficiently. However, this objective is impaired by the "sheer volume of complaints," diversity of the occupations and professions that fall within the agency's regulatory authority, and staffing.

Whether performing pro-active inspections or reacting to consumer complaints, the Enforcement Division is responsible for protecting the public from bad actors and is responsible for promoting a climate where the health and safety concerns of our citizens are preserved and where Michigan is a great place to work and raise a family.

LICENSING DIVISION PROGRAM MISSION STATEMENT

The Licensing Division staff members strive to protect the health, safety and welfare of the general public and to provide excellent service to Michigan citizens by ensuring those entering our regulated occupations meet the standards set forth by statute.

The Licensing Division provides for the licensing, registration, permitting or listing of 31 occupations. The responsibility for implementing the regulatory statutes is shared with 16 advisory boards and one commission as follows: the boards of accountancy, architects, auctioneers, barber examiners, carnival-amusement safety, collection practices, cosmetology, mortuary science, professional engineers, professional surveyors, real estate appraisers, real estate brokers and salespersons, residential builders and maintenance and alteration contractor and ski area safety; and the unarmed combat commission. Occupations regulated without an advisory board are as follows: cemeteries, forensic polygraph examiners, foresters, hearing aid dealers, immigration clerical assistants, interior designers, ocularists, land sales act, landscape architects, personnel agency, prepaid funeral contracts, private investigators, professional community planners, security alarm contractors, security guard agencies and vehicle protection product warranty.

The Division's main responsibility is to ensure that persons applying to enter certain professions or occupations meet entry-level requirements as established by law and rules. Prelicensure credentialing entails evaluation of education, experience, examination, financial viability, and good moral character. Establishing minimum entry-level requirements for licensure, registration, permitting or listing encourages employment opportunities for Michigan's citizens while offering protection to the public they serve. The Division maintains records for over 322,101 active licensees, registrants, permits or listees.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

ADMINISTRATIVE SERVICES DIVISION MISSION STATEMENT

The mission of the Administrative Services Division is to protect the welfare of the public and the professions we serve through auditing of trust funds for 5 occupations/professions, by the monitoring of administrative final orders, by educating and providing technical assistance to the public and licensees, by administering the Homeowner Construction Lien Fund, and providing internal IT support services to facilitate the Bureau in meeting its' goals and objectives. The Administrative Services Division is also responsible for protecting the welfare of the public by assuring that licensure examinations developed and administered on behalf of the Bureau for the professions/occupations governed by the Bureau meet nationally recognized standards and the requirements of the governing State statutes and that the candidates that successfully complete these examinations are minimally competent to enter into the profession/occupation. A further mission is to protect the welfare of the public by assuring that the prelicensure education, continuing education and continuing competency activities developed and those responsible for the administration/instruction meet the requirements of the governing State statutes for the professions/occupations which have educational requirements.

The Administrative Services Division consists of 22 full time positions.

LEGAL AFFAIRS DIVISION MISSION STATEMENT

The Division provides general in-house legal services within the bureau and arranges for agency legal representation in contested cases using its in-house attorneys (administrative law specialists), or through the Department of Attorney General, Licensing & Regulation Division under a memorandum of understanding (MOU) for two AAG/FTE's. The Division's Support Unit is charged with serving over 700 Formal Complaints and near 600 Orders; scheduling near 1,000 initial conferences and hearings; over 500 records requests. The Division is a point of contact for appeals of final orders in circuit court and other litigation that involve State appellate courts or federal courts, and coordinates all court of record representation with the Department of Attorney General.

The Office of the State Cemetery Commissioner, on behalf of the Department Director, administers Public Act 251 of 1968 that establishes a regulatory scheme for this unique industry to protect the public interest by coordinating activities with other Bureau areas and the Department of Attorney General. The mission extends to auditing trust funds, investigation of consumer complaints, licensing/registration, litigation management, rulemaking, and policy development. This past fiscal year the Office transitioned to the Legal Affairs Division and has been actively involved in litigation and the conservatorships involving the Indian Nation/Clayton Smart and Chapel Hill/Nelms cemeteries, as well as legislative initiatives to tighten cemetery oversight and owner accountability.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

PROGRAM EFFECTIVENESS

The Bureau of Commercial Services is responsible for promoting economic development and growth of business entities in Michigan in the Corporation Division and for licensing and regulating various commercial occupations and professions in the Enforcement, Licensing Divisions and in the Division of Administrative Services.

The effectiveness of the Bureau of Commercial Services as a whole can best be accomplished by monitoring the feedback from potential and existing licensees and consumers who utilize the services of licensees, or from those who have been harmed by licensees.

PROGRAM GOALS/MEASURES/IMPROVEMENTS
CORPORATION DIVISION:**Goals:**

To provide accurate information in a timely manner to customers regarding various business entities that file with this agency and facilitate the formation of new entities.

1. Review all expedited documents within 1-hour, 2-hours, same day, or 24 hours as requested by customer.
2. Review all other documents within the 10 business day statutory requirement. As of 09/30/08, one hundred percent (100%) of documents met this requirement.
3. Process all comment letters within 10 days of receipt of document. As of 09/30/08, one hundred percent (100%) of letters met this requirement.
4. Complete entry and expedited on same day, complete all other entry by next business day, scan and film on second day, and place in return mail to customer by third day.
5. Complete all expedited copy requests within 24 hours.
6. Complete other copy requests within 3 days. As of 9/30/08, one hundred percent (100%) of requests met this goal.
7. Provide monthly listing of new entities to subscribers.

PROGRAM OUTPUTS/OUTCOMES

See attached charts and graphs showing prior performance, quarterly comparisons, year-to-date activity and outcomes.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

PERFORMANCE MEASURES

Timeliness: Expedited within 1-hour, 2-hours, same day or 24 hours based on customer request; respond immediately to phone calls, provide copies or certificates within 3-5 working days; all others within statutory time frames.

Customer Satisfaction: Level of complaints about quality of service - Demand for changes to filing and review system. Availability of copies of filed information. Provide expanded methods for obtaining this information. See attached charts.

PROGRAM IMPROVEMENT PLANS FOR FISCAL YEAR 2009

1. Work with Project Manager and Department of Information Technology to meet the project milestones for the Corporation Division new web based application system project plan. (See attached revised timeline for Corporation Division re-write project).
Desired Result: New timeline created to implement new system in fall of 2009.
2. Expand online filing to include foreign corporations with no change in shares attributable. There are approximately 57% of foreign corporations eligible to file online.
Desired Result: Foreign corporations have the ability to file online in 2009, before the 2009 corporation annual reports are mailed.

3. Review and update Records and Retention Schedule for the Corporation Division re-write project plan.
Desired Result: Submit recommendations for updated Records and Retention Schedule by end of April, 2009.
4. Work with DLEG to obtain adoption of amendments to Business Corporation Act and Professional Service Corporation Act to address issues made by Miller -vs. - Allstate.
Desired Result: Provide clear statutory authority for corporations providing services in a learned profession and to be organized under the Professional Service Corporation Act.
5. Develop a written plan by June, 2009 for conversion of OUT cards and records stored at Record Center to a database and scan and film images.
Desired Result: Preserve the records and make available to the public on the website.

PROGRAM IMPROVEMENT PLANS FOR FISCAL YEAR 2008

1. Work with DIT to obtain a secure receipt program for the reception desk by September 30, 2008.
Desired Result: Provide appropriate audit trail for financial transactions and secure system for recording payments.
Status: No progress. Request to be added in rewrite of database.
2. Support technical amendments to the Nonprofit Corporation Act as provided in S.B. 123 to accommodate online filing and electronic processing.
Desired Result: To be able to expand online services for nonprofit corporations.
Status: S.B. 123 passed and became 2008 P.A. 9, effective February 29, 2008.
3. Work with DLEG to obtain adoption of amendments to Business Corporation Act and Professional Service Corporation Act to address issues made by Miller -vs. - Allstate.
Desired Result: Provide clear statutory authority for corporations providing services in a learned profession and to be organized under the Professional Service Corporation Act.
Status: H.B. 5356-5358 introduced in October, 2007, passed the House of Representatives with changes requested by Allstate and referred to the Senate. Michigan Supreme Court issued decision on July 2, 2008 in Miller - vs. - Allstate and held Allstate lacks standing. Legislation should be considered in fiscal year 2008/2009.
4. Work with Project Manager and Department of Information Technology to meet the project milestones for the Corporation Division new web based application system project plan. (See attached timeline for Corporation Division re-write project).
Desired Result: Be on target to implement new system in spring of 2009.
Status: Project delayed April-August 2008 by MBSii. New timeline created for implementation in fall of 2009. Provide training to improve customer service and training to staff by June 1, 2008. Identify common reasons why calls are transferred outside agency. Train staff to handle and transfer calls to the appropriate agency.

Desired Result: The public will be transferred to the appropriate agency or given the phone number to the agency.
Status: Training conducted and staff identified where callers can be transferred if staff unable to determine appropriate agency. Policy meetings held on related topics and included a representative from Michigan Department of Treasury regarding Sales Use and Withholding.
5. Expand online filing to include foreign corporations with no change in shares attributable. There are approximately 57% of foreign corporations eligible to file online.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

Desired Result: Foreign corporations have the ability to file online.

Status: Work on program changes have begun. It was in the development stages on September 30.

6. Review and update Records and Retention Schedule for the Corporation Division re-write project plan.

Desired Result: Submit recommendations for updated Records and Retention Schedule by end of April, 2008.

Status: Rewrite delayed and also delayed the reviewing and updating of Records and Retention Schedule.

CHALLENGES FOR THE FY 09 and BEYOND:

- Provide information and assistance to MBSii team and modify procedures to accommodate one-stop portal.
- Develop succession plan to insure there is no drop in services as staff retires or leaves. 25% of our staff is eligible to retire at the present time or within 3 years.
- Development of the new web based application system for Corporation Division records targeted to be implemented in FY 2009.
- Develop a succession plan to insure there is no drop in services as staff retire or leave. 25% of our staff is eligible to retire at the present time or within 3 years. Currently the last 2 vacancies have not been filled and are functioning with 44 positions.
Status: Work begun on positions needed for succession. Vacancies filled.
- Development of the new web based application system for Corporation Division records targeted to be implemented in FY 2009.
Status: Rewrite delayed and target is fall of 2009.
- Permanent records stored at Record Center that need to be microfilmed to preserve them.
Status: Initial meeting and discussion was held.
- OUT cards stored at the Corporation Division include corporations that are OUT prior to 1978 which need to be microfilmed and added to the database and available to public on the website.
Status: Cost estimate has been requested.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

ENFORCEMENT DIVISION:**Goals:**

The principal goal of the Enforcement Division, Bureau of Commercial Services, is to protect consumers through effective regulatory oversight of certain professions, occupations, businesses, and services. It does this by investigating allegations of violations of the Occupational Code and other statutes or Administrative Rules and brings appropriate charges, criminal, civil, or administrative, where necessary to protect the health, safety, and welfare of the citizens of Michigan.

The Enforcement Division goals are to review, investigate, and process complaint cases in the most expeditious manner possible. Our overriding goals it to be able to complete and investigation and disposition of a case within one year from the date of receipt of complaint. A timely resolution of contested cases benefits both the consumer and accused licensee.

The Enforcement Division needs to streamline services by implementing innovative technology. We seek technology solutions to reduce time needed to process cases, reduce mistakes and reduce costs. We also want to use technology to enhance teaching and learning. This is an ongoing issue with the division. We have been working on updating the website to aid the public, developing a database to better meet needs of the division, and by providing laptops/cell phones to aid our field investigators.

The division needs to maintain a strong, collaborative relationship with federal agencies, local governments, and the private sector by holding meetings and presentations to inform the agencies, government, and private sector. We are also working on building a cooperative relationship with the Bureau of Construction Codes to help with this issue.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

Performance Measures:

Expectation Objective

90%	Ski and Carnival Amusement Safety inspections for completed new applications will be conducted within 14 days of availability of the equipment.
90%	Preliminary review (investigation) of builder complaints completed within six months of the date of referral to preliminary review.

PROGRAM IMPROVEMENT PLANS FOR FISCAL YEAR 2008

Building strong relationships by delivering a quick, usable and responsive service to address constituent's needs and work to remove organizational barriers to this objective.

To this end, the following 3 initiatives are being contemplated or proposed, not listed in any order of priority:

Reengineering - Reengineering the ski safety and carnival amusement program and processes to clearly delineate the enforcement functions from the licensing functions. The purpose of the organizing function is to make the best use of the organization's resources to achieve organizational goals.

Desired Result: An effective organizational structure that facilitates effective working relationships between workgroups and improved productive efficiency within the agency.

Status: A program has not yet been developed to implement this project: conceptual.

Training and Seminars - Increased opportunity for ski and amusement safety training, and seminars for inspectors and regulation agents.

Desired Result: Skilled and well-trained workers with a best-practice approach to work, resulting in improved performance and attainment of pre-established Bureau's goal and Divisional objectives.

Status: A program has not yet been developed and/or implemented.

Inspectional Program - Develop a comprehensive state-wide inspectional program for cosmetology, barber and funeral establishments.

Desired Result: Limit the public's exposure to the unauthorized practice of the respective professions or occupations, unsanitary conditions and unhealthy practice environments. Provide a medium for educating and training of industry professionals to understanding how to develop good practices and not come a foul of the law. To help industry professional understand the value of observing the law and the standards of practice of their respective professions or occupations. To determine if establishments and personnel are practicing in their respective professions in conformance with applicable laws and administrative rules. Promote economic growth and assist businesses and individuals become licensed.

Status: A program has not yet been developed to implement this project: conceptual.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

LICENSING DIVISION:**Goals:**

It is the division goal to provide excellent service to our customers. We will process new license, registration, permit and listing applications in a timely manner, accurately reviewing credentials, to qualify or disqualify applicants in the most efficient manner. We will process license and registration renewals and record changes in an accurate, timely and efficient manner. We will work to provide increased automated and electronic services to our customers.

Performance Measures:**Performance Measure #1****Timeliness of Application Processing:**

The division receives a variety of applications all having independent timeframes and credentialing processes. It is the division's goal to process each application in an expedient manner. Recognizing the bureau has statutory timeframes to review and process certain business license applications, and there are statutory time periods for an applicant to complete all requirements for licensure or registration ranging from one year to ten years, and that much of the processing time is contingent on the applicant's ability to provide information and documentation, **it is the division's goal that 75% of all licenses, registrations, permits, and listings issued will be completed within 60 days of the date of receipt of the application.**

This objective was met in FY08 – 88.14% of all license, registrations, permits, and listings were completed within 60 days of the date of the receipt of the application.

Performance Measure #2**Timeliness of processing Certifications:**

The division is responsible to process record certifications that vary in complexity. Certifications may require as little as current license status, but may also require a detailed license history or certain credentialing information. Statute establishes a fee of \$5.00 for a simple verification and \$15.00 for complex certifications. **It is the division's goal that certifications and verifications processed will be completed within 30 days of receipt of the complete certification request 75% of the time.**

This objective was met in FY 2008 – 99.2% of all certifications were process within 30 days of receipt.PROGRAM IMPROVEMENT PLANS FOR

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

FISCAL YEAR 2008:

1. Continue to work with IT staff to complete implementation of a new licensing database for all division occupations to improve technology to enable more automated and efficient application processing and updating. The database application is to incorporate tools for electronic imaging, electronic application processing, electronic reporting of student, prelicensure and continuing education for licensees and applicants, reporting capabilities to provide the customer and the consumer electronic access to application and licensing data along with the ability to download license verifications, license history and reports.
Desired Result: To have all division programs migrated to the new database by August 2008.
Status: With the shift in priorities to projects such as MBSii, the new goal for completing the migration is December 2009.
2. Continue to work with IT staff to create and implement customer access to the licensing database to ascertain the status of their pending application, current licensure or registration and to report data changes, renew the license or registration, request duplicate licenses and licensee transfers by electronic means. Customers will have password access to their files and will pay by electronic means.
Desired Result: To provide our customers with the ability to apply for licensure on-line, perform many routine maintenance functions via web access and have licensee information available electronically, increasing convenience, speed and efficiency of the transaction.
Status: Efforts are on-going and will be further implemented as additional licensing programs are added to COLA/iCOLA. To date, the functionality of tracking an application's status is not available in either L2K or COLA nor does the password activated access function.
3. To continue to centralize and streamline the licensee/registration renewal process and to encourage more licensees/registrants to renew on-line instead of by mail.
Desired Result: 50% of all licensees/registrants renew on-line.
Status: 34% of all licensees/registrants renewed on-line.
4. To have a board member training program in place that meets the information needs of new and existing board members.
Desired Result: To educate and equip board members with information about their responsibilities as board members under the law; and to provide them with a comprehensive understanding of bureau and board functions and processes.
Status: Although no formal program is in place, managers continue to hold orientation as members are appointed.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM: Commerical Services**

PROGRAM IMPROVEMENT PLANS FOR FISCAL YEAR 2009:

1. Continue to work with IT staff to complete implementation of a new licensing database for all division occupations to improve technology to enable more automated and efficient application processing and updating. The database application is to incorporate tools for electronic imaging, electronic application processing, electronic reporting of student, prelicensure and continuing education for licensees and applicants, reporting capabilities to provide the customer and the consumer electronic access to application and licensing data along with the ability to download license verifications, license history and reports.
Desired Result: To have all division programs migrated to the new database by December 2009.
2. Continue to work with IT staff to create and implement customer access to the licensing database to ascertain the status of their pending application, current licensure or registration and to report data changes, renew the license or registration, request duplicate licenses and licensee transfers by electronic means. Customers will have password access to their files and will pay by electronic means.
Desired Result: To provide our customers with the ability to apply for licensure on-line, perform many routine maintenance functions via web access and have licensee information available electronically, increasing convenience, speed and efficiency of the transaction.
3. To have a board member training program in place that meets the information needs of new and existing board members.
Desired Result: To educate and equip board members with information about their responsibilities as board members under the law; and to provide them with a comprehensive understanding of bureau and board functions and processes.

ADMINISTRATIVE SERVICES DIVISION**Goals**

The effectiveness of the Administrative Services Division is measured by the timeliness of processing audits. In addition, the unit administers the Construction Lien Fund, monitors final order compliance, monitor contracts for the development/ administration of licensing exams, provide technical support for the pre-licensure and continued education programs and to provide centralized support services to the bureau.

Administrative Services also provides service functions to the other divisions within the Bureau. It is the division goal to provide excellent service to our customers, internally and externally.

Final Order Compliance Monitoring

1. Ensure that the Builders Board Final Orders are posted to the web timely, as required by statute.
2. Ensure compliance within timelines set forth in Final Orders and timely requesting appropriate licensing actions when warranted

Scanning/Imaging

1. Establish and provide training of licensing staff on document preparation procedures, as needed
2. Maintain regular workflow of licensing documents being imaged in order to reduce lag time for viewing documents electronically

Informational Sales Program

1. Expand ordering information available on the website for Informational Sales Program

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

Construction Lien Recovery Program

1. Establish on-line processing for membership applications and membership renewals.
2. Plan and implement a renewal process for the supplier/subcontractor/laborer members to be initiated by June 1, 2009, including the mailing of renewal notices, overseeing the downloading of payments and updates to the CL system.
3. improve visibility of the webpage on the Department's website.
4. Increase number of electronic transfers of files to the Attorney General's office.
5. Convert our office files to an electronic system using Alchemy (original paper to AG office, we would maintain electronic files stored in Alchemy).
6. Complete review and verification of special assessment payments/membership applications on the CL database system in order to meet retention schedule requirements

Testing, Education and Program Services Section

1. Resolve requests for IT Services timely
2. Respond to requests for IT Services with expected action and time estimate
3. Complete initial review of precicensure course approval for Real Estate, Appraisers and Builders timely.
4. Process continuing education for Real Estate and Appraisers timely

Performance Measures**Audit Section**

Expectation Objective

90% Process cases through the Audit Section within six months of the audit start or the complaint receipt date.

Informational Sales Program

Expectation Objective

85% Respond to sales inquiries within 3 business days with a price quote

85% Mail out requested data within 1-2 business days after receipt of payment

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

Construction Lien Program

Expectation	Objective
90%	Process and submit requests for legal representation to Attorney General office within 3 business days of the receipt of the complaint
85%	Submit requests for administrative complaints against the licensee within 30 days of payout, provisional on receipt of proper closing documents from Attorney General

Testing, Education and Program Services Section

Expectation	Objective
85%	Resolve requests for IT Services within 5 business days of receipt
90%	Response to requests for IT Services with an expected action or time estimate within 2 business day of receipt
85%	Complete initial review for prelicensure and continuing education course approval for Real Estate within 45 days of receipt
85%	Complete initial review for prelicensure and continuing education course approval for Real Estate Appraisers within 45 days of receipt
85%	Complete initial review for prelicensure and continuing education course approval for Residential Builders within 45 days of receipt
85%	Process continuing education credit hours for Real Estate and Real Estate appraisers within 5 business days of receipt from sponsors

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

PROGRAM IMPROVEMENT PLANS FOR FISCAL YEAR 2009:

Homeowner Construction Lien Recovery Fund & Support Services Section

1. Continue implementation of bureau wide standards for the imaging process.
Desired result: To facilitate a more expedited access to files
2. Post a detailed base price list and a listing of all professions/occupations on the Information Sales Program webpage to assist customers in determining which data lists to purchase.
Desired result: To reduce the processing time for requested data.
3. Expand on-line application process for the Construction Lien Fund.
Desired result: To reduce the processing time for membership applications and renewal applications
4. Develop a plan to maintain an electronic warehouse of HCLRF claim files on Alchemy (provide access to Attorney General)
Desired result: To facilitate a more expedited access to files
5. Continue efforts to increase services available on-line to the licensees and the general public.
Desired result: To expand services expeditiously to the licensees
6. Investigate alternative methods for the collection procedures against builders for HCLRF payouts
Desired result: To improve on the collection rates of outstanding debts that is owed to the HCLRF and to increase revenue for the operation of the program
7. Scan licensing documents, conduct quality control and complete verification process within 3-4 business days of receipt of documents in office; upload images into Alchemy for staff access
Desired result: To facilitate a more expedited access to files
1. Scan and upload the HCLRF closed claim documents within 15 business days for Alchemy
Desired result: To provide access to files electronically and to reduce need for storage of paper files
9. Upload copies of all Final Orders issued by the BCS Licensing Boards into Alchemy within 15 business days of issuance.
Desired result: To provide access to files electronically and to reduce need for storage of paper files
10. Increase number of electronic transfers of files to the Attorney General's office
Desired result: To provide access to files electronically more expeditiously

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

- 11 Convert our office files to an electronic system using Alchemy (original paper to AG office, we would maintain electronic files stored in Alchemy
Desired result: To facilitate a paperless filing system in the office
12. Complete review and verification of special assessment payments/membership applications on the CL database system in order to meet retention schedule requirements
Desired result: To reduce storage of payment records within the office.

Testing, Education and Program Services Section

1. Extend the Barber/Cosmetology Examination Contract with PSI through July 31, 2010
Desired result: to fulfill contractual obligation
2. Extend the Real Estate, Appraisers and Low Volume Examination Contract with PSI through July 31, 2010
Desired result: to fulfill contractual obligation.
2. Write RFP and contract for prelicensure, continuing education and continuing competency collection and tracking of and completion of by licensees.
Desired result: to have an outside vendor track prelicensure, continuing education and continuing competency for all professions licensed/registered within the bureau
4. Implement or amend examination contracts to provide for on-site licensure for various occupations/professions
Desired result: the bureau would like implement on-site licensure for all occupations/professions which are licensed/registered within the bureau
5. Request updated copies of all examination item banks from PSI
Desired result: to fulfill contractual obligations
6. Complete the transition to the revised Hearing Aid Dealers theory examination and the Hearing Aid Salesperson theory and practical examinations
Desired result: to fulfill contractual obligations
7. Complete writing of Residential Builders and Maintenance & Alteration Contractors Administrative Rules due to new legislation which was passed to require prelicensure coursework before taking the examination and continuing competency for renewal of the license.
Desired result: the bureau needs to get new rules promulgated regarding the requirement for approval and reporting of continuing competency.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION**PROGRAM:** Commerical Services

CHALLENGES FOR THE FY 2009 AND BEYOND:

1. Initiating legislative amendments to correct problem issues in the Construction Lien Act
2. Resources are significantly decreasing for the Bureau programs
3. Potential revenue for the HCLRF has decreased due to fewer new licensing applicants and fewer licensees renewing
4. Increase number of claims and payouts from HCLRF has caused higher expenditures than planned
5. Obtain itemized billings from the Department of Attorney General for improved accountability and provide foundation for statistical reporting on the legal costs for the program and to comply with the Auditor General reported finding.
6. The implementation of scanning and paperless online application processing has created a new pressure to update retention policies.
6. Meeting statutory mandates and provide sufficient number of audits to provide adequate level of consumer protection and protection of trust funds.

PROGRAM IMPROVEMENT PLANS FROM FISCAL YEAR 2008:

1. Work with the Department of Information Technology to obtain an imaging system for use by the entire bureau.
Status: Because the Corporations Division has imaged its documents longer than other bureau agencies and has established workable procedures, it has not been included in the bureau implementation except to be a model for setting up scanning procedures. Other units within the Bureau are currently imaging their key documents or are in the midst of forming their desired solutions. The imaging service now includes Licensing, Final Order Compliance, and Testing & Education. Wherever possible, attempts have been made to integrate the indexes for these separate functional areas to allow cross area searches. Construction Lien data is being added to the Alchemy system. Imaging staff are now able to correct scanning errors, as well as indexing errors in-house, rather than having to depend upon HAL staff for this service.
2. Work with division staff to make more on-line services available to licensees and the general public.
Status: More on-line links and services have been added.
3. The implementation of scanning and paperless online application processing has created a new pressure to update retention policies. First it is much more expensive to store images than microfilm for long periods. Second we have to reconsider some of the retention policies for "paperless" documents. Also important is the need to integrate changes made possible by imaging to the retention schedule.
Status: We continue to need to update the Bureau's retention schedules. New technology and a new appreciation of storage costs make this work very important.
4. Extend the On-site Licensing program to additional boards
Status: This work will continue, focusing on professions with large memberships. This step creates better service for potential licensees in the affected professions.

FY 2008 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

5. Continue investigation of cemetery trust funds investigation with limited staffing and budget.

LEGAL AFFAIRS DIVISION & OFFICE OF THE STATE CEMETERY COMMISSIONER

Goals

The Legal Affairs Division goals are: to timely and consistently handle cases referred for prosecution of violations; to appropriately use alternative dispute resolution methods to reach settlement in cases without the need for more costly contested case hearings before the SOAHR, or if a hearing was scheduled to more quickly conclude the case by settlement or completion of a full evidentiary hearing; to provide legal and related-support services to other Bureau areas and the Department of Attorney General when that Department is representing the agency. The Division over the next fiscal year intends to: submit website updates; update performance standards as a newer division; efficiently distribute contested case representation between agency attorneys and assistant attorneys general. Specific goals for the Office of the State Cemetery Commissioner are to fully use oversight authority to increase efforts to prevent or detect illegal activities or regulatory violations; reform statutory authorities, some dating back to the 1800's; update rules; provide timely and accurate information to the public or other government entities in response to inquiries or complaints. The Office over the next fiscal year has the following plans: to continue with legislative initiatives; continue with a comprehensive review of the status of all current or former registrants; closely work with industry representatives and others to advance regulatory goals; review and develop new methods for enforcement actions, in conjunction with the Audit Section and Enforcement Division; hold rulemaking or other public hearings to facilitate objectives of public protection.

ATTACHMENT A

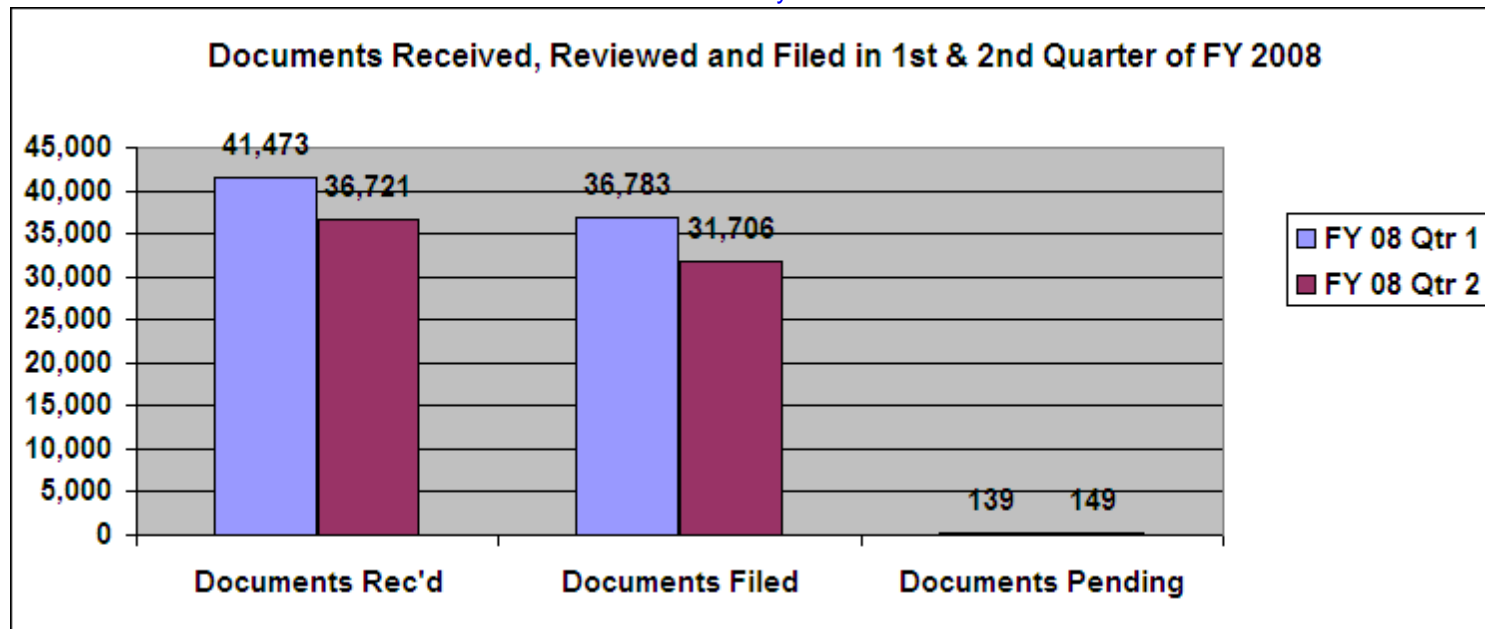
Corporation Division

Fiscal Year 2008 - 1st and 2nd Quarter - Document Review Section

OBJECTIVE: Review 100% of documents within 10-day statutory time limit.

OUTPUT: Volume of documents reviewed within statutory time limits.

EFFECTIVENESS: Percent of documents reviewed within 10-days.



OUTCOME: In the first and second quarter over 99% of all documents were reviewed within the 10 day statutory deadline. Non-expedited submissions were reviewed within 1-2 days of receipt from the mailroom. All submissions requesting expedited service were reviewed within the timeframe requested once received from the mailroom. The number of pending not reviewed has consistently remained below 150 documents.

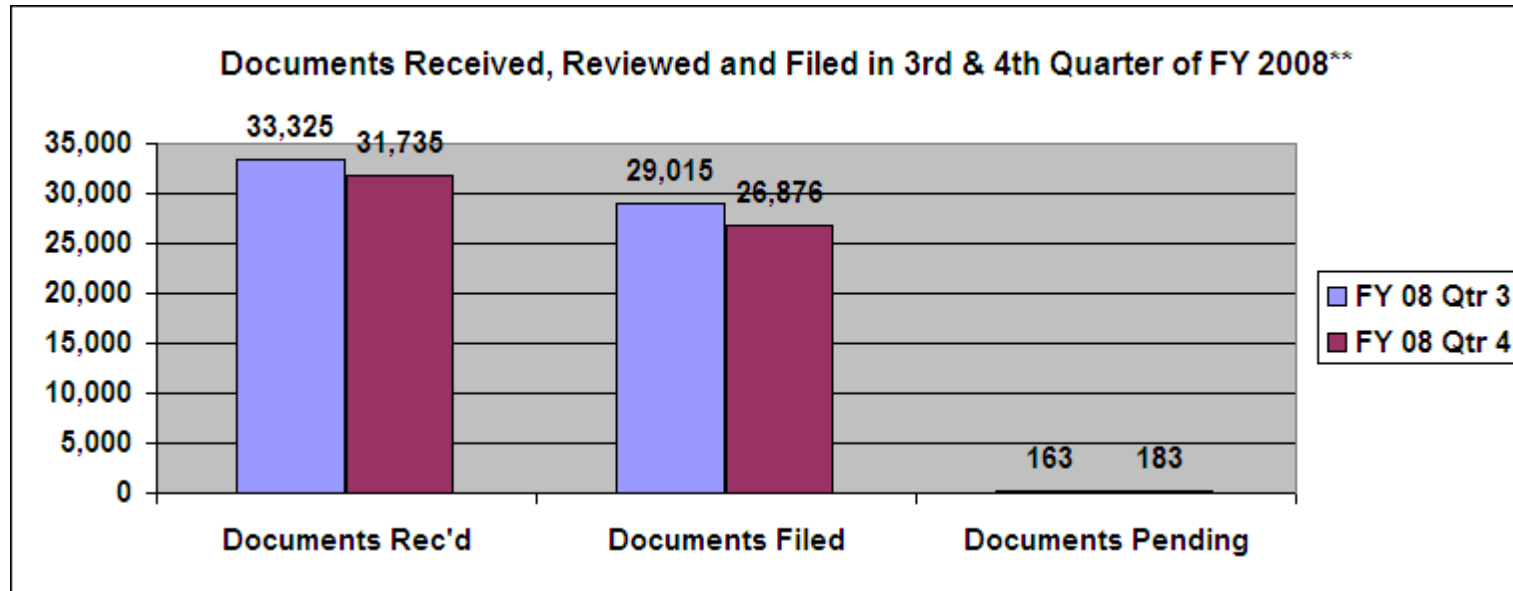
***Not all documents reviewed are filed. Comment letters are sent on documents that do not substantially conform to requirements of the act. We are meeting our 10 day statutory deadline for written notice. If the deficiency is corrected, the document will be filed. If not corrected, the file is closed. When documents received in one quarter are filed in the subsequent quarter, the number of filed documents may exceed the number of documents received for the quarter. Any documents received during the last 10 days of the quarter and not reviewed by the last day of the quarter are shown as documents pending.**

Fiscal Year 2008 - 3rd and 4th Quarter - Document Review Section

OBJECTIVE: Review 100% of documents within 10-day statutory time limit.

OUTPUT: Volume of documents reviewed within statutory time limits.

EFFECTIVENESS: Percent of documents reviewed within 10-days.



OUTCOME: In the 3rd and 4th quarter 100% of all documents were reviewed within the 10-day statutory deadline. Non-expedited submissions were reviewed within 1-2 days of receipt from the mailroom. Non-expedited elf submissions are being reviewed within 24 hours or less of receipt. All submissions requesting expedited service were reviewed within the timeframe requested.

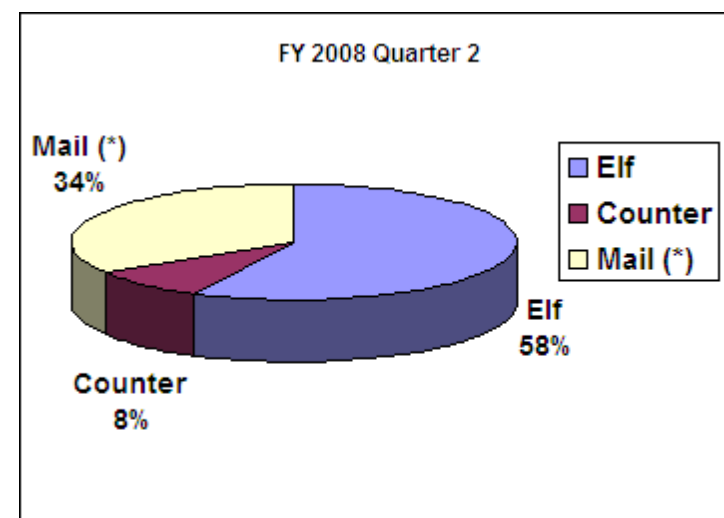
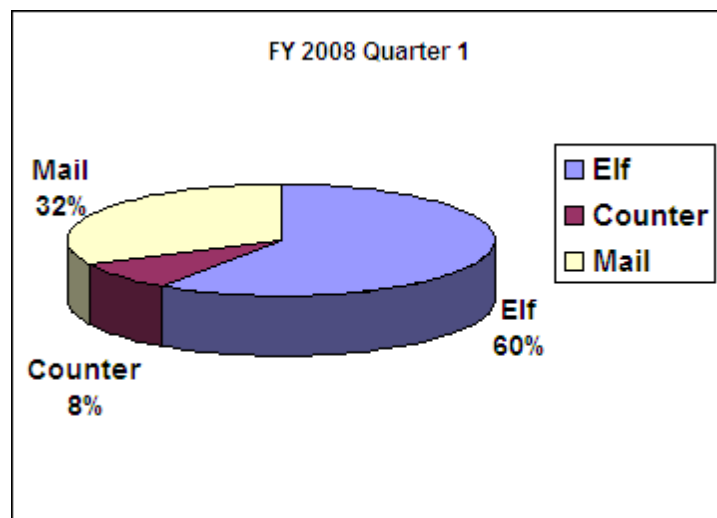
***Not all documents reviewed were filed. Comment letters are sent on documents that do not substantially conform to requirements of the act. We are meeting our 10 day statutory deadline for written notice. If the deficiency is corrected, the document will be filed. If not corrected, the file is closed. When documents received in one quarter are filed in the subsequent quarter, the number of filed documents may exceed the number of documents received for the quarter. Any documents received during the last 10 days of the**

CORPORATION DIVISION
1ST and 2ND quarter Fiscal Year 2008

OBJECTIVE: To show the comparison between paper filings and Mich-ELF filings (nonpaper)

OUTPUT: The percentage of documents received in a nonpaper format is over 50% of what we receive.

EFFECTIVENESS: The main shift has been from mail to Mich-ELF (nonpaper).



OUTCOME: The percentage of documents filed using Mich-ELF was 60% for the 1st quarter and 58% for 2nd quarter fiscal year 2008.

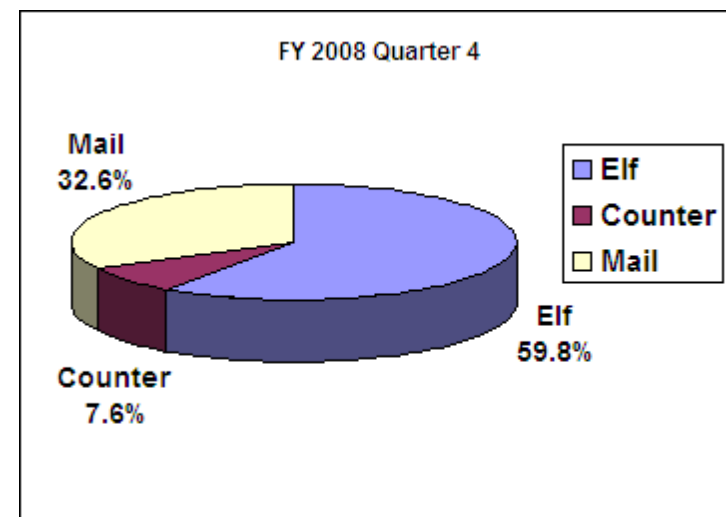
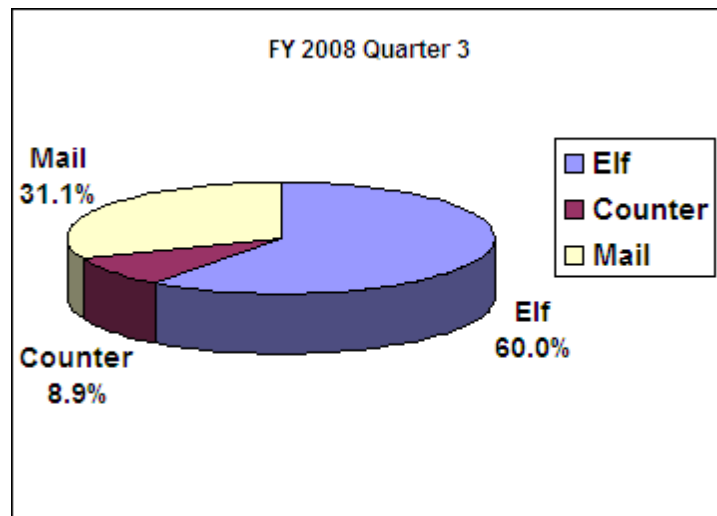
CORPORATION DIVISION

3rd and 4th quarter Fiscal Year 2008

OBJECTIVE: To show the comparison between paper filings and Mich-ELF filings (nonpaper)

OUTPUT: The percentage of documents received in a nonpaper format is over 50% of what we receive.

EFFECTIVENESS: The main shift has been from mail to Mich-ELF (nonpaper).



OUTCOME: The percentage of documents filed using Mich-ELF was 60% for both 3rd and 4th quarters.

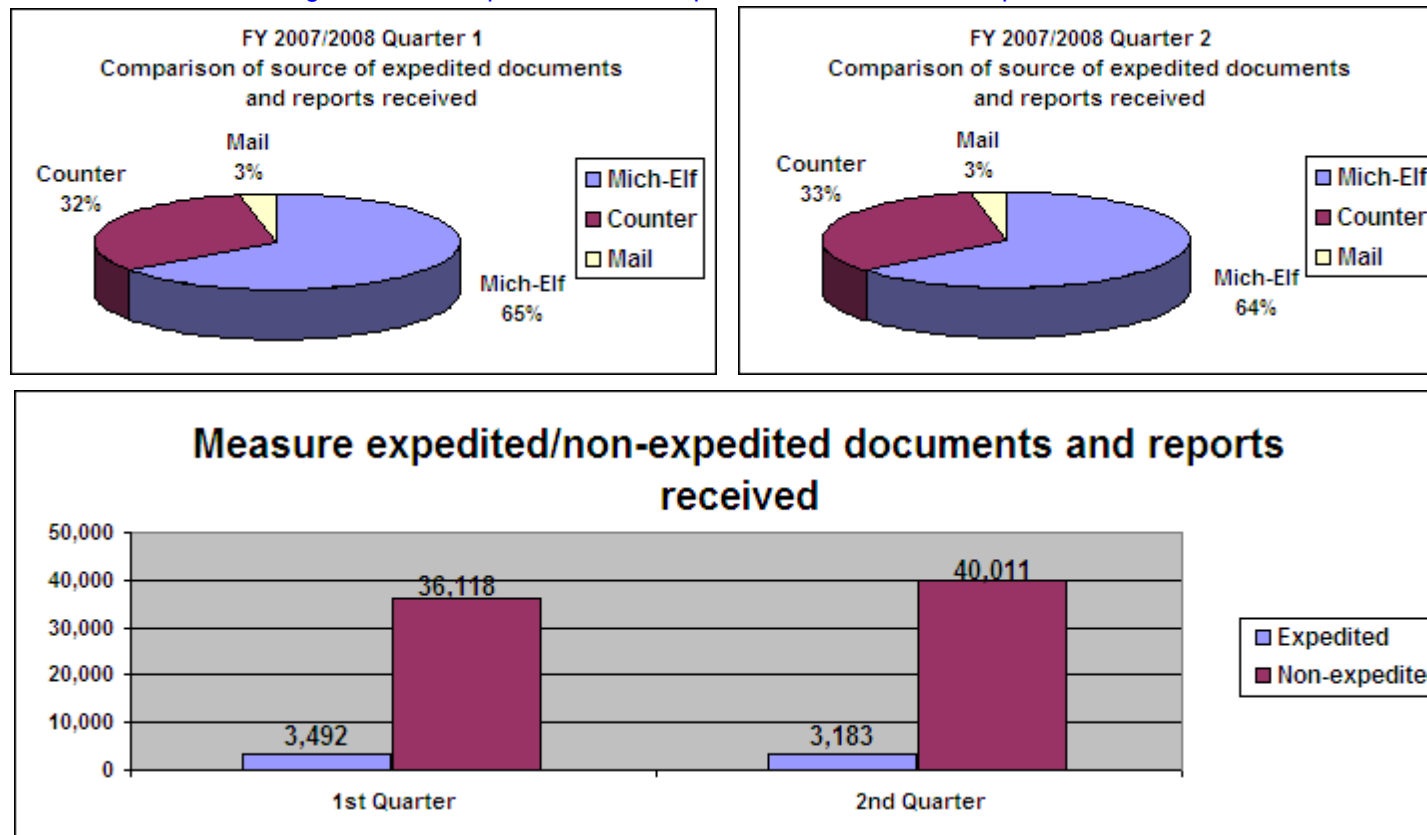
CORPORATE SERVICES - DOCUMENT REVIEW SECTION

1st and 2nd quarter Fiscal Year 2008

OBJECTIVE: Measure trends of expedited/nonexpedited documents and reports.

OUTPUT: Number of total expedited and total non-expedited documents and reports received.

EFFECTIVENESS: Change in ratio of expedited to non-expedited documents and reports.



OUTCOME: New expedited services (24 hour, same day, 2 hour and 1 hour) began on January 1, 2006.

Customer demand for the new expedited services for which they pay expedited fees of \$50-\$1,000 per document/report.

FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

CORPORATE SERVICES - DOCUMENT REVIEW SECTION

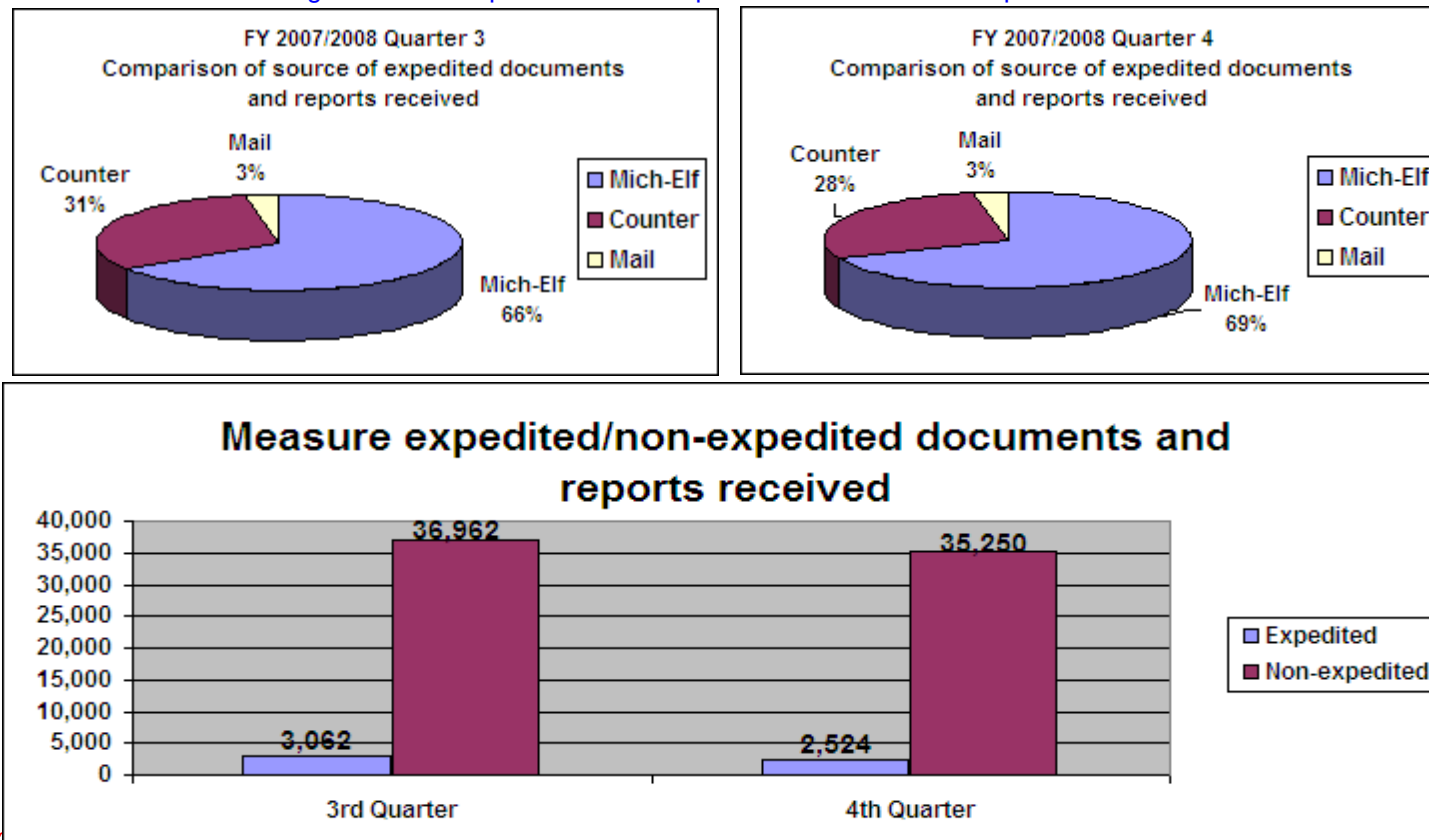
3rd and 4th quarter Fiscal Year 2008

FY '08 Annual Program

OBJECTIVE: Measure trends of expedited/nonexpedited documents and reports.

OUTPUT: Number of total expedited and total non-expedited documents and reports received.

EFFECTIVENESS: Change in ratio of expedited to non-expedited documents and reports.



FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: OCCUPATIONAL REGULATION

PROGRAM: Commerical Services

OUTCOME: New expedited services (24 hour, same day, 2 hour and 1 hour) began on January 1, 2006.
Customer demand for the new expedited services for which they pay expedited fees of \$50-\$1,000
per document/report.

CORPORATE SERVICES - DOCUMENT REVIEW SECTION

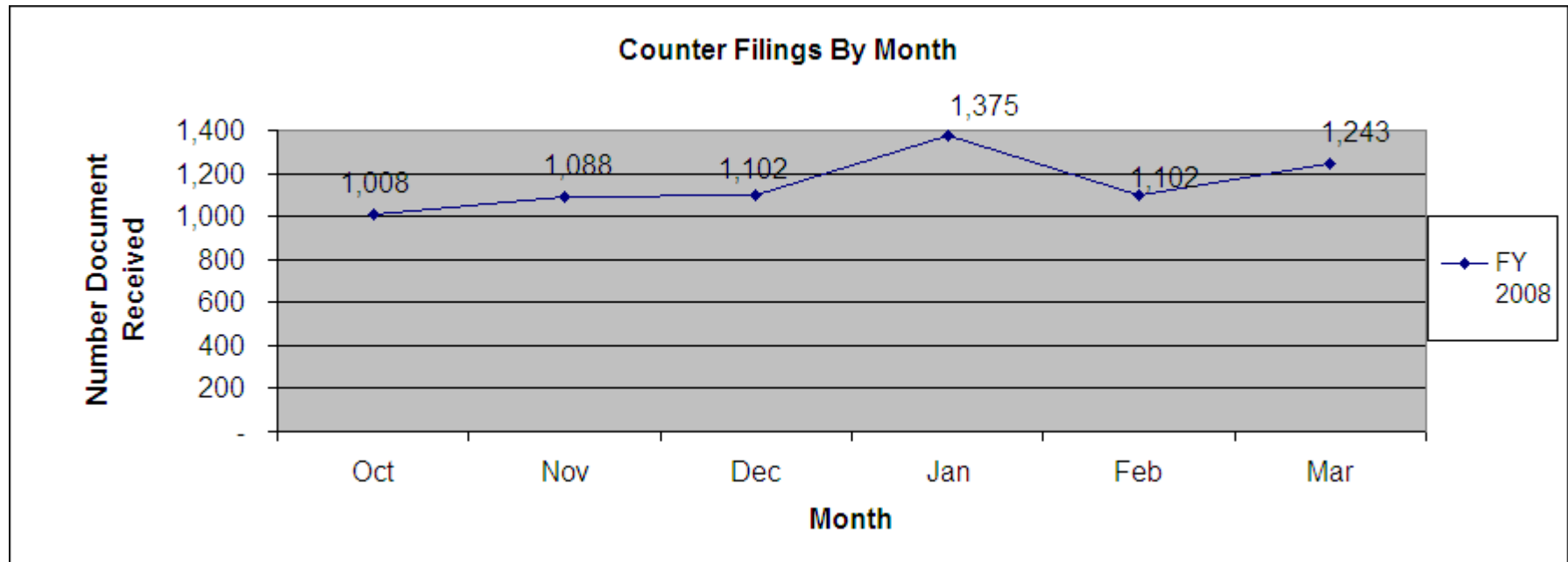
1st and 2nd quarter Fiscal Year 2008

FY '08 Annual Program

OBJECTIVE: Encourage customers to file document using Mich-Elf or FILEOnline for reports. Electronic filing is more convenient for the customer and more efficient for the agency

OUTPUT: Number of documents and reports received per month at the counter

EFFECTIVENESS: Reduced number of documents and reports received at the counter



OUTCOME: The number of documents and reports received at counter in fiscal 2008 for first and second quarters was 6,918. For 1st quarter, the number of documents and reports received at the counter was 3,198 and for 2nd quarter, 3,720 documents and reports were received at the counter.

CORPORATE SERVICES - DOCUMENT REVIEW SECTION

3rd and 4th quarter Fiscal Year 2008

FY '08 Annual Program

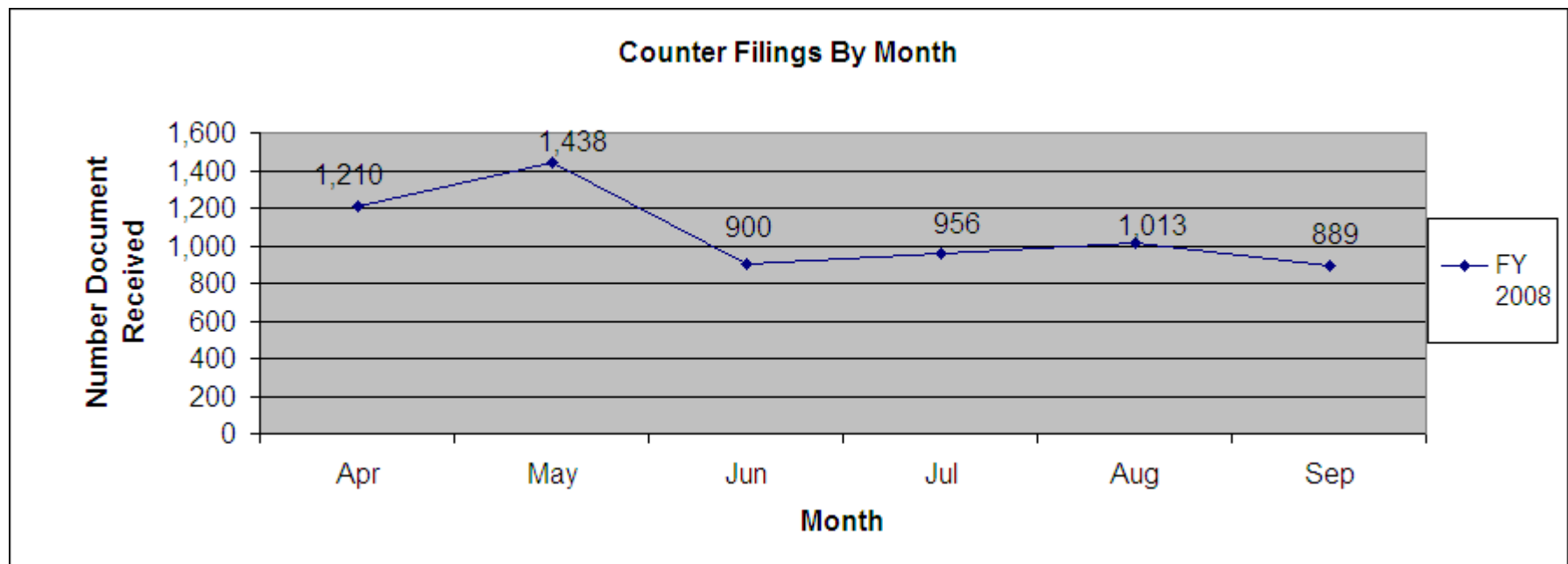
OBJECTIVE: Encourage customers to file document using Mich-Elf or FILEOnline for reports.

Electronic filing is more convenient for the customer and more efficient for the agency

since the process is completely electronic with no paper file created.

OUTPUT: Number of documents and reports received per month at the counter

EFFECTIVENESS: Reduced number of documents and reports received at the counter



OUTCOME: The number of documents and reports received at counter in fiscal 2008 for third and fourth quarters was 6,406. For 3rd quarter, the number of documents and reports received at the counter was 3,548 and for 4th quarter, 2,858 documents and reports were received at the counter.

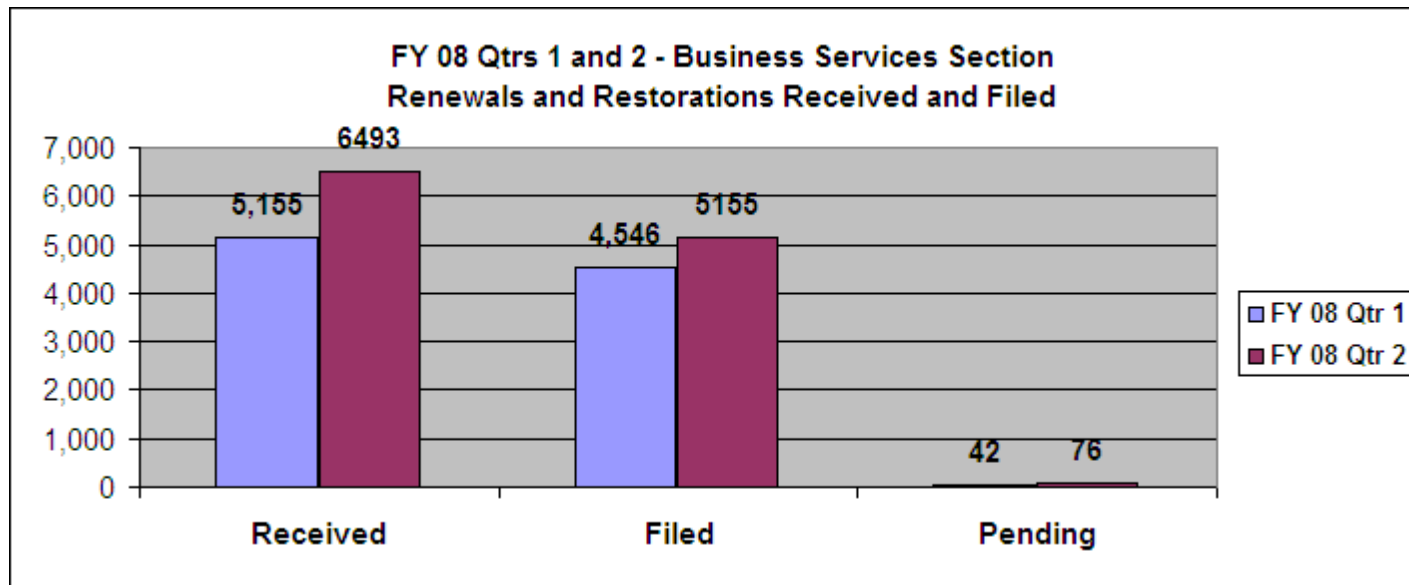
Corporation Division

Fiscal Year 2008 1st and 2nd Quarter - Business Services

OBJECTIVE: Review 100% of documents within 10-day statutory time limit.

OUTPUT: Volume of documents reviewed within statutory time limits.

EFFECTIVENESS: Percent of documents reviewed within 10-days.



OUTCOME: In the 1st and 2nd quarter of FY 08, 100% of renewals and restorations were reviewed within 10 business days. The vast majority of non-expedited renewals and restorations were reviewed within 1-3 days of receipt. Renewals and restorations submitted with expedited service requests are being reviewed within the level of expedited service requested. The number of renewals and restorations pending, and not yet reviewed at the end of the quarter was significantly reduced from the same period of FY 07.

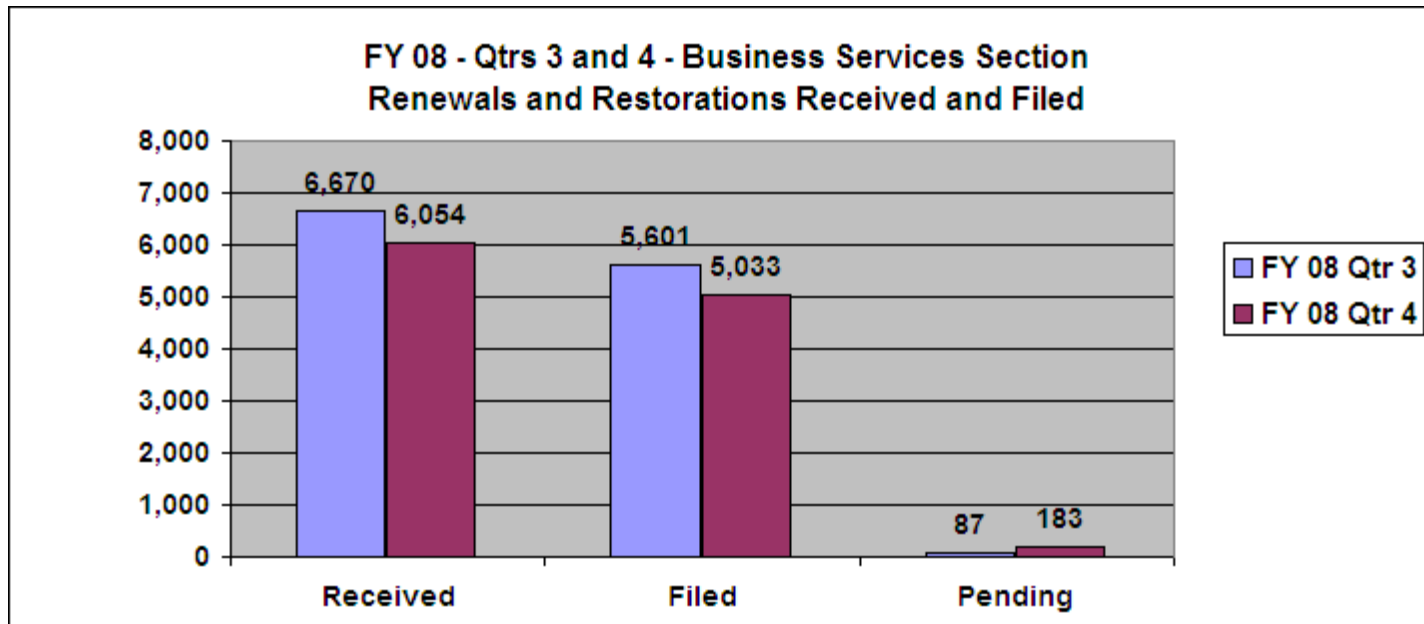
Corporation Division

Fiscal Year 2008 - 3rd and 4th Quarter - Business Services

OBJECTIVE: Review 100% of documents within 10-day statutory time limit.

OUTPUT: Volume of documents reviewed within statutory time limits.

EFFECTIVENESS: Percent of documents reviewed within 10-days.



OUTCOME: In the 3rd and 4th quarter of FY 08, 100% of renewals and restorations were reviewed within 10 business days. The vast majority of non-expedited renewals and restorations were reviewed within 1-3 business days of receipt. Renewals and restorations submitted with expedited service requests are being reviewed within the level of expedited service requested. The number of renewals and restorations pending at the end of the quarter were slightly reduced from the same period of FY 07.

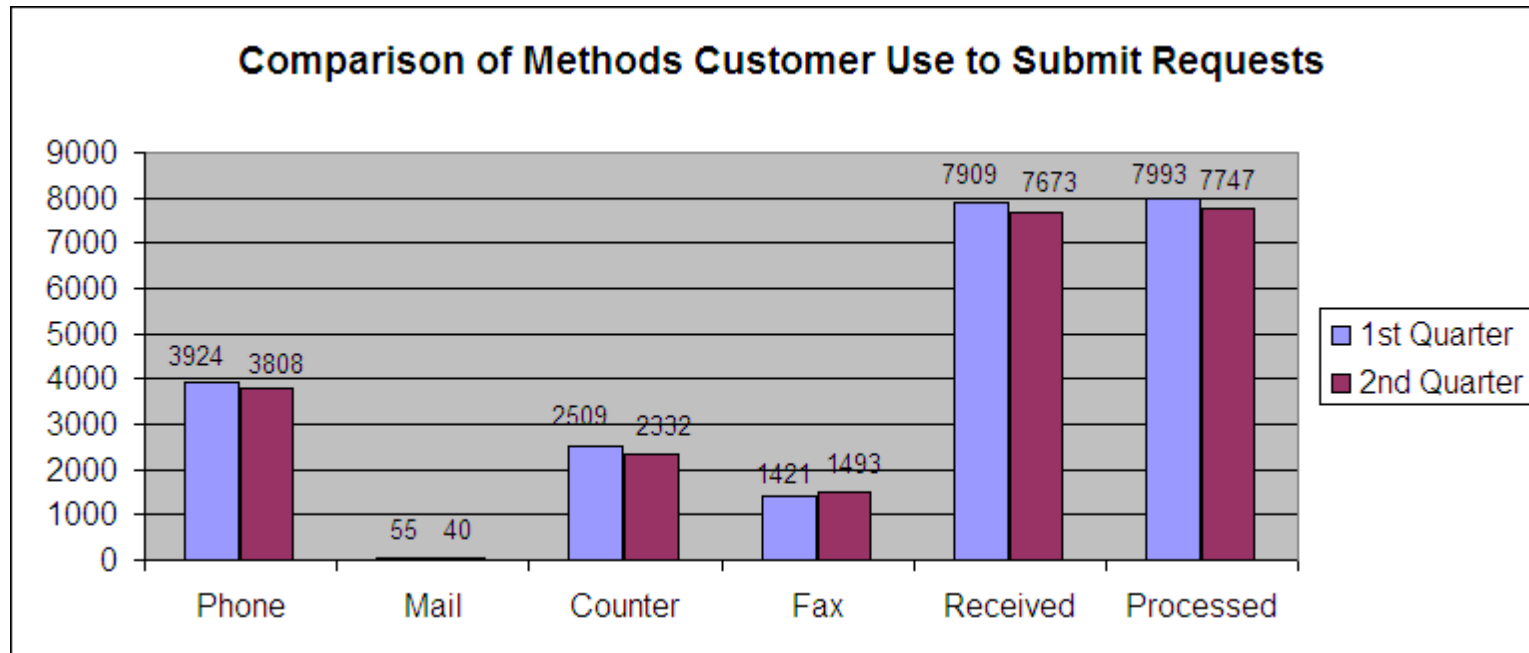
Corporation Division

Fiscal Year 2008 1st and 2nd Quarter-Business Services Section

Objective: Provide fax service for orders for copies and certificates and reduce the number of in-person and mail requests.

Output: Volume of orders placed by mail, phone, fax and at the counter.

Effectiveness: Orders placed by mail and those place at the counter have declined.



Outcome: Use of the automated order system allows a larger number of orders which are placed by phone, fax or at the counter to be processed in 24 hours or less. Images were added to the website in August, 2004 allowing customers to view and print uncertified copies free of charge, and as more customers are becoming aware of this, the overall number of orders has continued to decrease. 1st and 2nd quarter FY/08 orders overall decreased by 15.1% over the same period of FY/07. Orders placed by phone decreased 11.2%, by mail 25.2%, at the counter 17.2% and by fax 20.6%.

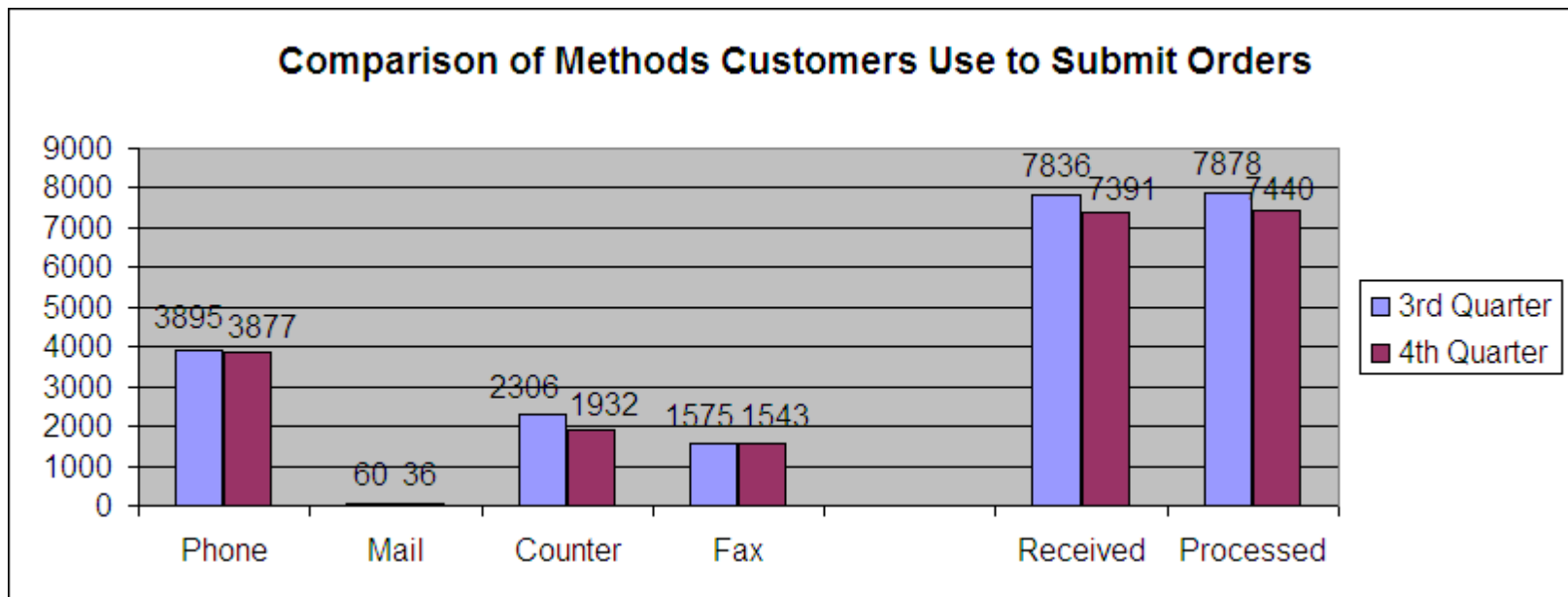
Corporation Division

Fiscal Year 2008 3rd and 4th Quarter-Business Services Section

Objective: Provide fax service for orders for copies and certificates and reduce the number of in-person and mail requests.

Output: Volume of orders place by mail, phone, fax and at the counter.

Effectiveness: Orders placed by mail and those place at the counter have declined.



Outcome: Use of the automated order system allows orders to be processed quickly, with orders placed by phone, fax or the counter generally completed in 24 hours or less. Since August, 2004, images of the filed documents have been available on the website and customers are able to view and print copies free of charge. As more customers become aware of the website, the number of orders placed will continue to decline. 3rd and 4th quarter FY 08 orders placed by phone decreased 7.5%, by mail decreased 2%, at the counter decreased 22.9%, and by fax decreased 8.6%.

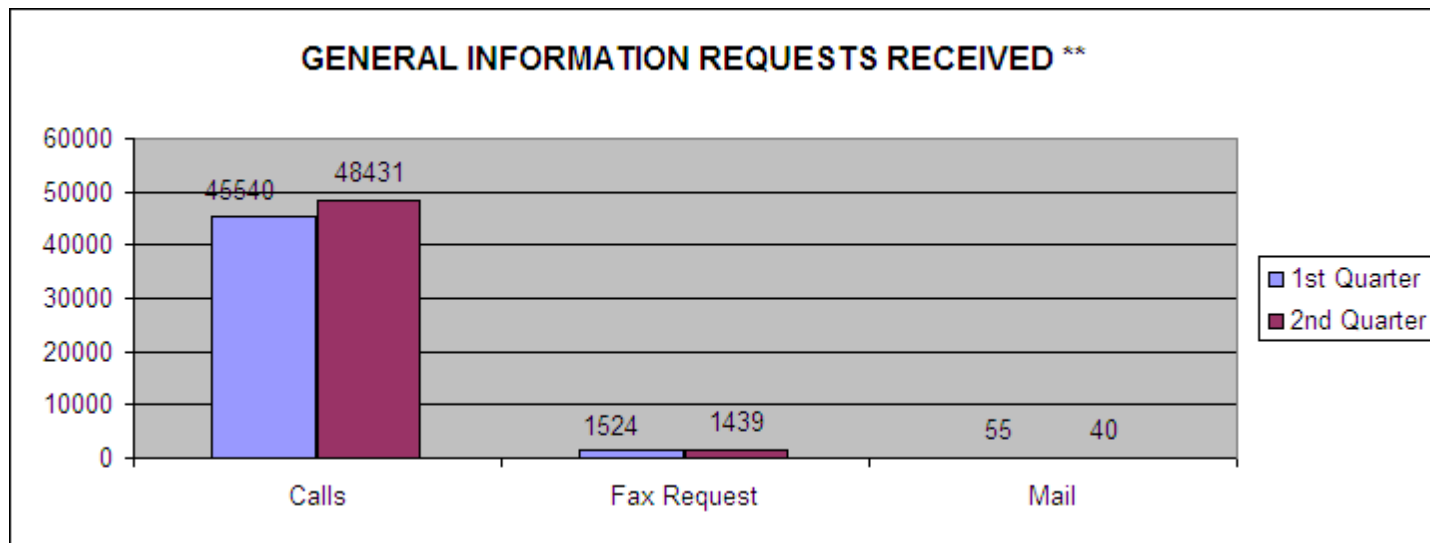
Corporation Division

Fiscal Year 2008 1st and 2nd Quarter-Business Services Section

Objective: Increase public accessibility to records maintained by the Division

Output: Volume of requests received by the division

Effectiveness: The number of inquiries received in the Business Services Section is decreasing.



Outcome: Division received 96.8% of all general information requests by telephone. 1st and 2nd quarter FY/08 requests received by telephone decreased 8.8%, by fax decreased 16.9% and by mail decreased 31.6%, resulting in an overall decrease of general information requests of 9.1% over the same period FY/07. It is expected that these requests will continue to gradually decline as more customers become aware of the information available on our website, as well as being able to retrieve entity specific information and view images online.

**** These totals do not include web requests for general information.****

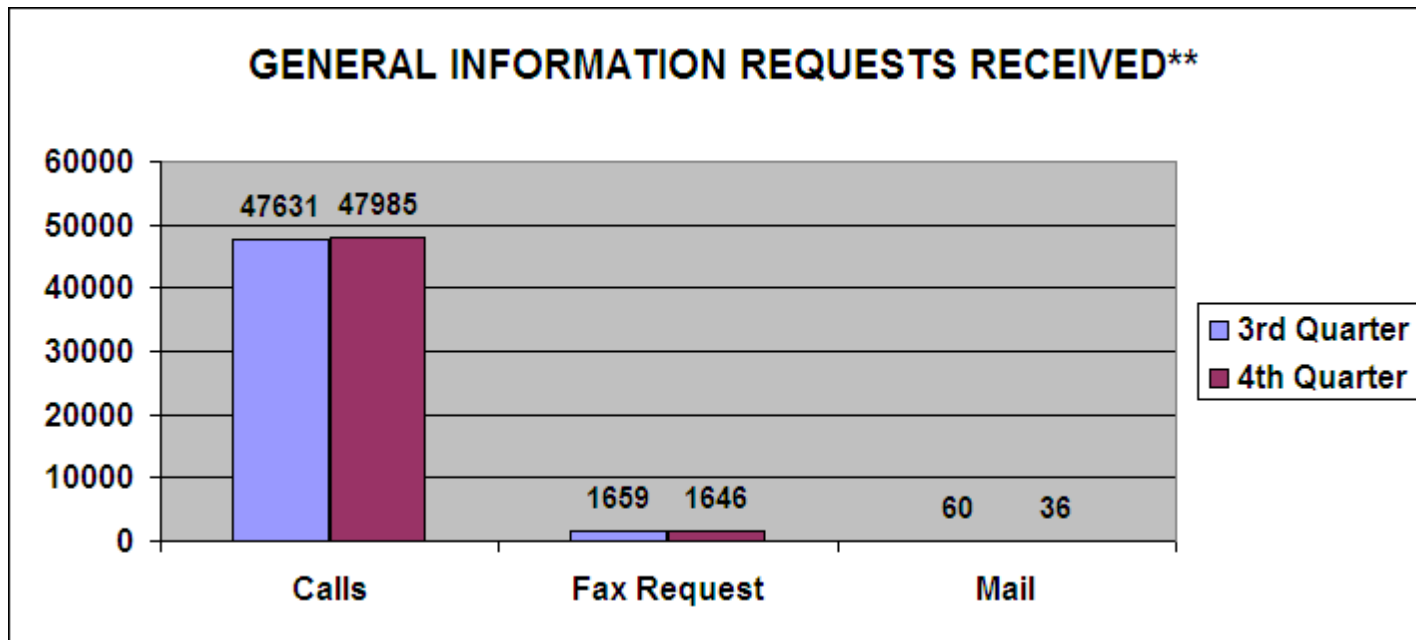
Corporation Division

Fiscal Year 2008 3rd and 4th Quarter-Business Services Section

Objective: Increase public accessibility to records maintained by the Division

Output: Volume of requests received.

Effectiveness: The number of inquiries received in the Business Services Section is decreasing.



Outcome: Division received 69.6% of all general information requests by telephone. Two positions which had been vacant over a year were filled at the end of the 3rd quarter. Additionally, two more positions were filled during the 4th quarter increasing access to staff for assistance and decreasing the amount of time customers had to wait to get assistance.

****These totals do not include web requests for general information.****

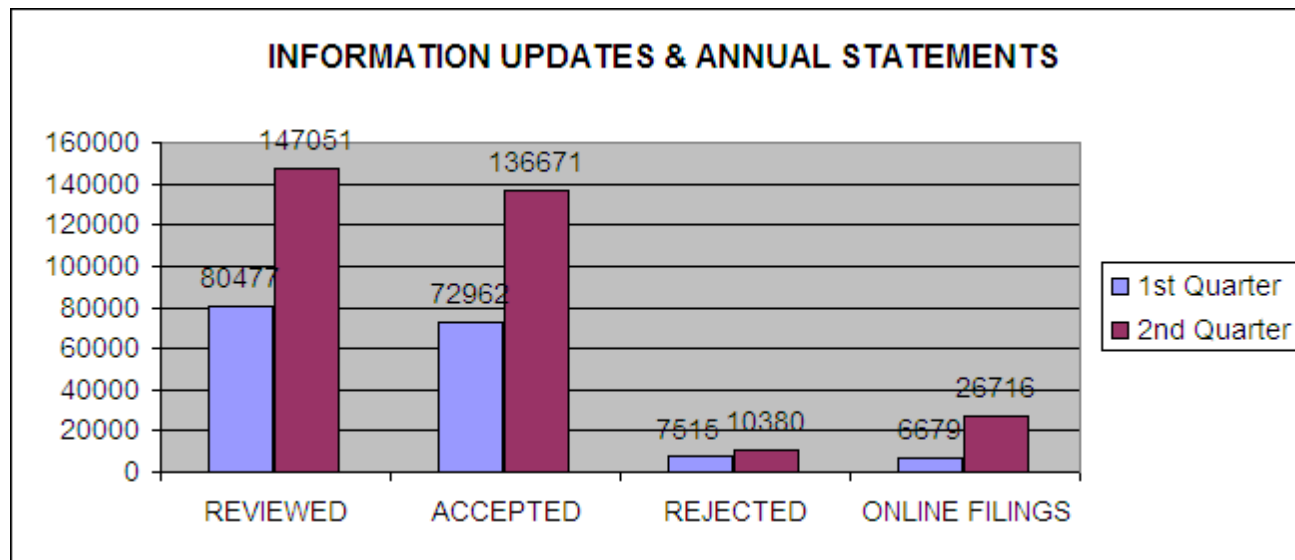
Corporation Division

Fiscal Year 2008 1st and 2nd Quarter-Business Services Section

Objective: With simplified filing requirements and review standards, file more reports at point of initial sort, reducing handling and recording time, and accelerating availability time.

Output: Volume of reports processed.

Effectiveness: Comparison of filed reports to comment letters will demonstrate that simplified filing requirements and standards result in lower percent of comment letters.



Outcome: 7.9% of reviewed reports were rejected and required letters in the 1st and 2nd quarter of FY/08, up slightly from 7.1% during the same period of FY/07. A policy change regarding penalty fees in FY/07 resulted in more rejections of some late filers. Paper submissions increased less than .5%, and online filings increased 50.2% compared to the same period of FY/07. Overall, 13.7% of total reports filed in the 1st and 2nd quarter were online, and required no review and no letters

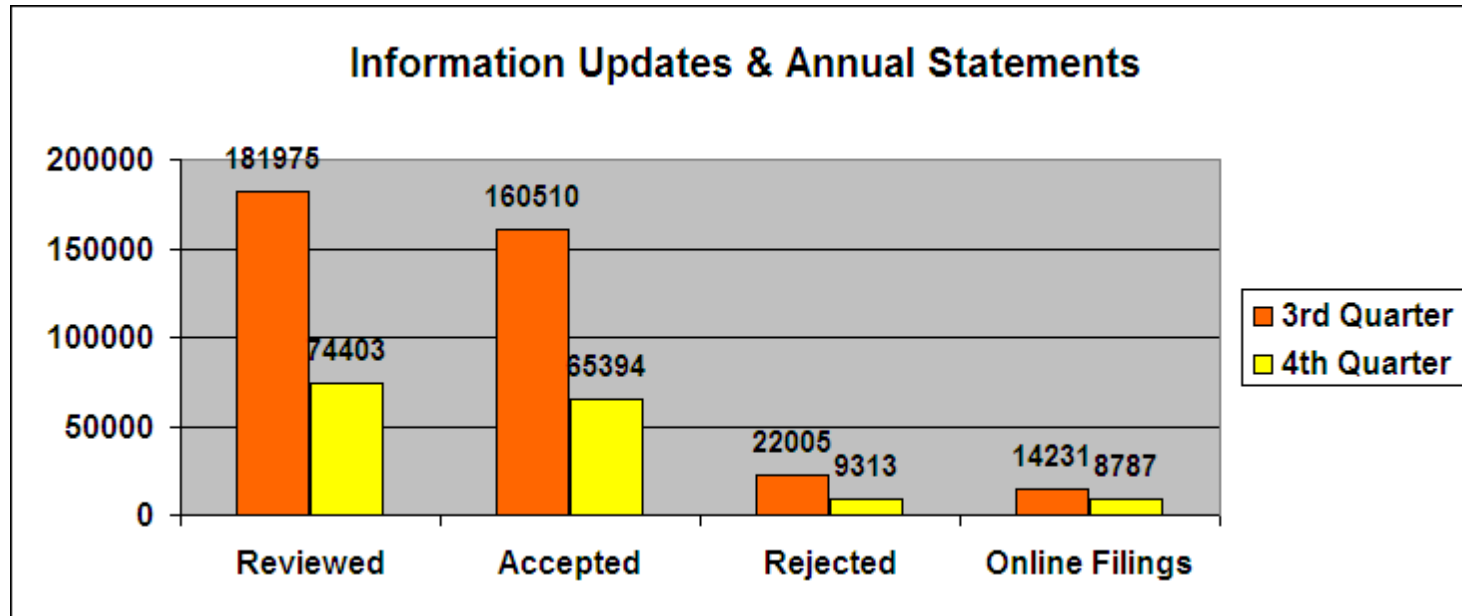
Corporation Division

Fiscal Year 2008 3rd and 4th Quarter-Business Services Section

Objective: With simplified filing requirements and review standards, file more reports at point of initial sort, reducing handling and recording time, and accelerating availability time.

Output: Volume of reports processed.

Effectiveness: Comparison of filed reports to comment letters will demonstrate that simplified filing requirements and standards result in lower percent of comment letters.



Outcome: 12.22% of reviewed reports were rejected and required letters in the 3rd and 4th quarter of FY 2008. Policy C-67 requires profit corporations to pay late penalty fees if report is submitted after May 15, 2008. 28.1% fewer paper reports received in the 3rd and 4th quarter of FY 08 compared to the same period in FY 07. For 3rd and 4th quarter of FY 08, of the total reports received, there were 8.24% that filed online and required no review and no letters.

CORPORATE SERVICES - TRADEMARKS, SERVICE MARKS, & INSIGNIAS

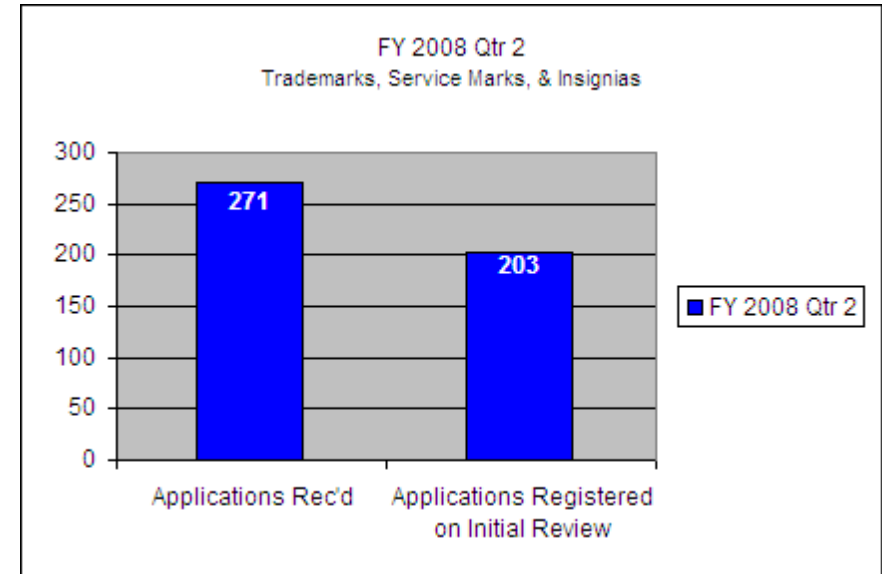
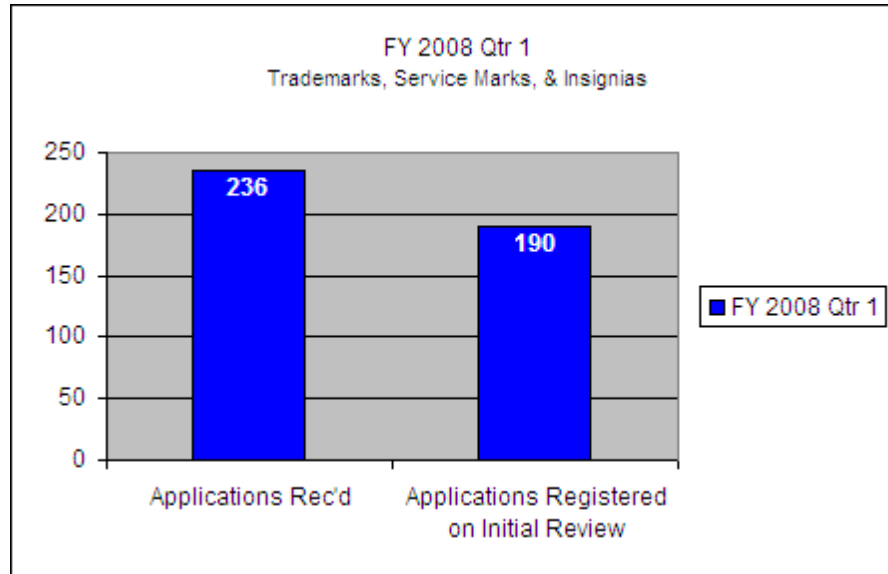
1st and 2nd quarter Fiscal Year 2008

FY '08 Annual Program

Objective: To simplify forms and procedures to facilitate registration of trademarks, service marks, and insignias upon initial receipt

Output: Number of applications registered upon initial review

Effectiveness: Increase in number of applications registered upon initial review



Outcome: Eliminate delays in filing through simplification of registration for trademarks, service marks, & insignias

For first quarter, the percentage of applications that could be registered as submitted measured against the same period from fiscal 2007 increased and in second quarter, there was a slight decrease. For two quarters combined, there was an increase for 2008 as 77.5% of all applications and renewals received were registered upon initial review, up from 75.6% for the two quarters combined in 2007. There was also an increase in the number of total applications

Department	Appropriation Unit	Program	
Labor & Economic Growth	Corporate Services	Commercial Services	ATTACHMENT A
Fiscal Year 2008		Corporation Division	

received for the first two quarters of 2008 as 507 applications were received versus 446 in 2007.

CORPORATE SERVICES - TRADEMARKS, SERVICE MARKS, & INSIGNIAS

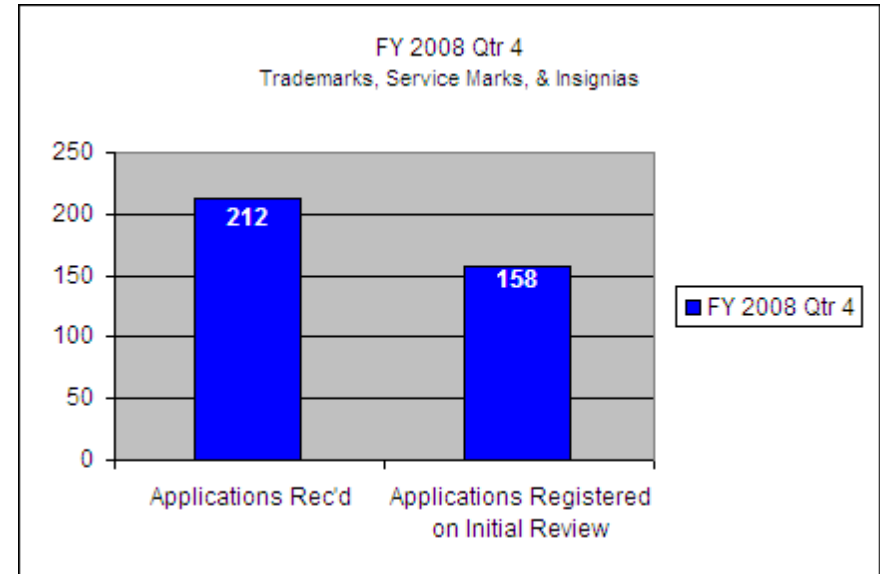
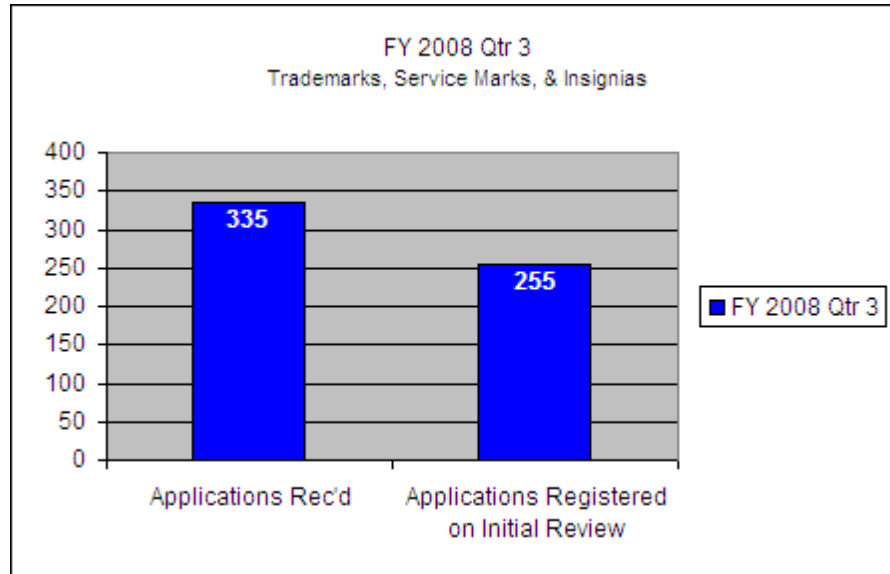
3rd and 4th quarter Fiscal Year 2008

FY '08 Annual Program

Objective: To simplify forms and procedures to facilitate registration of trademarks, service marks, and insignias upon initial receipt

Output: Number of applications registered upon initial review

Effectiveness: Increase in number of applications registered upon initial review



Outcome: Eliminate delays in filing through simplification of registration for trademarks, service marks, & insignias.

In 3rd and 4th quarter, 76.1% and 74.5% respectively marks and insignias were registered on initial application review.

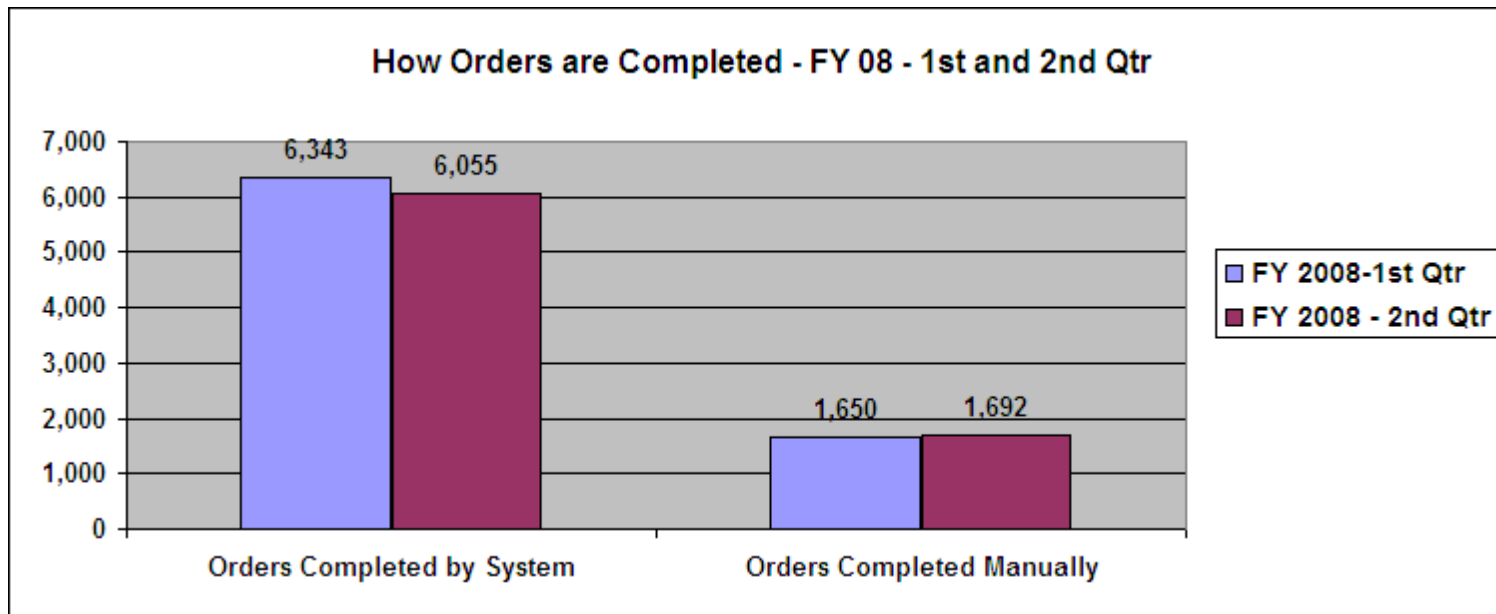
Corporation Division

Fiscal Year 2008 - 1st and 2nd Quarter - Business Services Section

Objective: Use the automated order system to allow larger number of orders to be processed in 24 hours or less.

Output: Volume of orders completed by system and delivered to customers by fax.

Effectiveness: Reduce manual preparation of orders.



OUTCOME: To allow the order system to process a majority of the orders instead of having them processed by staff. Using the automated order system allows staff more time to complete other tasks. Images were added to the website in August, 2004, and customers are able to view and print uncertified copies free of charge. As more customers become aware of this, the overall number of orders placed has continued to decrease.

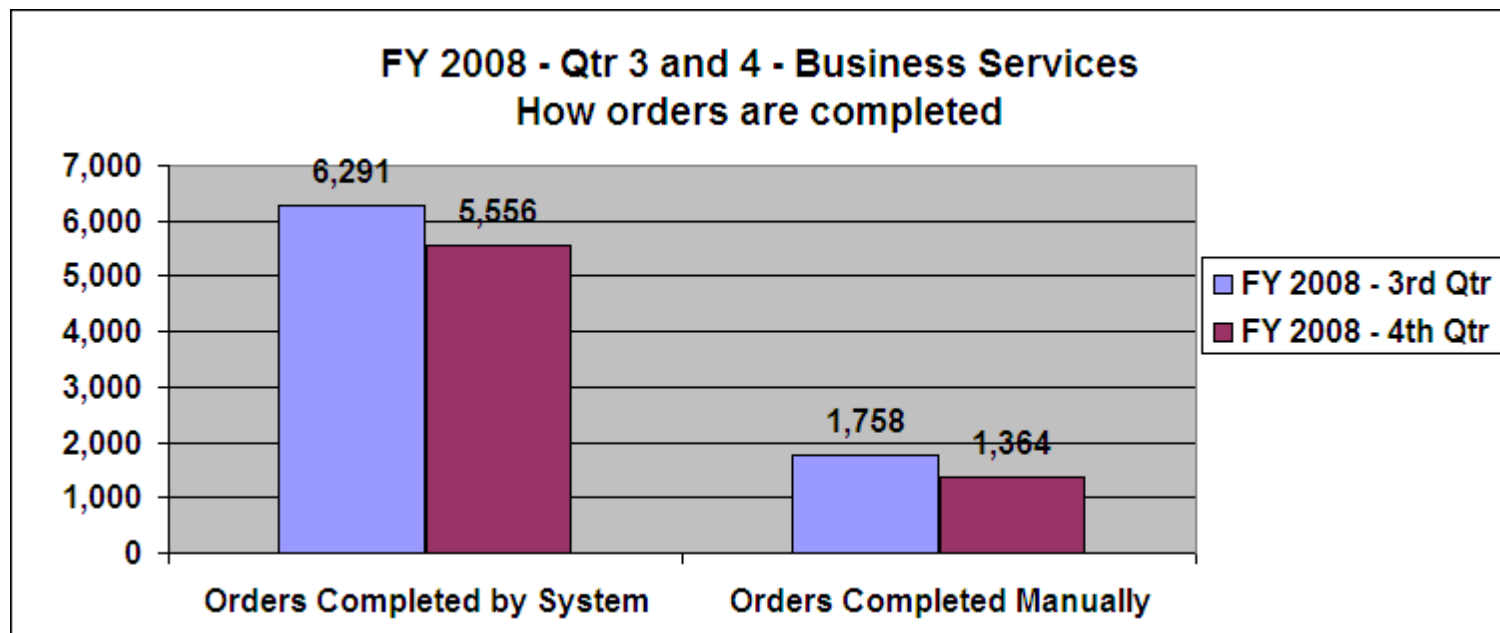
Corporation Division

Fiscal Year 2008 - 3rd and 4th Quarter - Business Services Section

Objective: Use the automated order system to allow larger number of orders to be processed in 24 hours or less.

Output: Volume of orders completed by system and delivered to customers by fax.

Effectiveness: Reduce manual preparation of orders.



Outcome: To allow the order system to process a majority of the orders instead of having them processed by staff.

Using the automated order system allows staff more time to complete other tasks. Images were added to the website in August, 2004, and customers are able to view and print uncertified copies free of charge. As more customers become aware of this, the overall number of orders placed will continue to decrease.

CORPORATE SERVICES - EMAILS

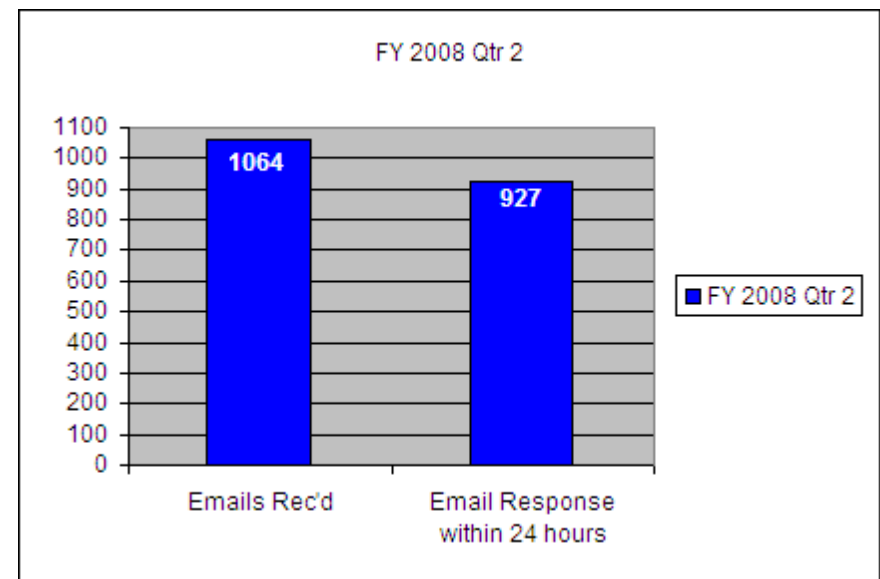
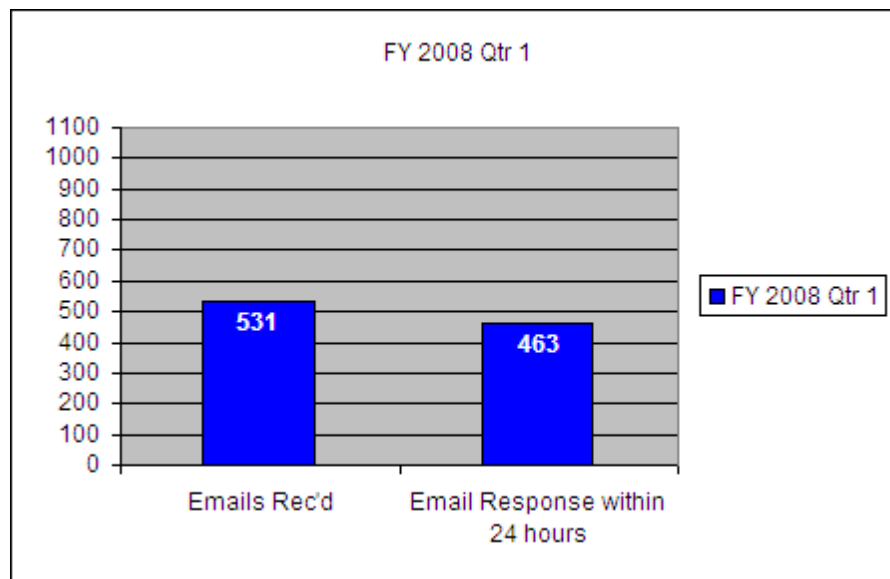
1st and 2nd quarter Fiscal Year 2008

FY '08 Annual Program

Objective: To promptly answer customer emails received by the Division

Output: Number of Emails received and answered

Effectiveness: Increase percentage to 90% answered within 24 hours



Outcome: Provide response within 24 hours to email inquiries, including renewal and restoration emails.

For the two quarters combined, 87.1% of emails received responded to within 24 hours. Total number of emails responded to is up significantly (1,595 1Q/2Q FY 08 vs. 894 1Q/2Q FY 07) as customers can now request renewal/restoration information direct from web site and we reviewed procedures with staff effective 10/1 to make sure all emails received being tracked.

CORPORATE SERVICES - EMAILS

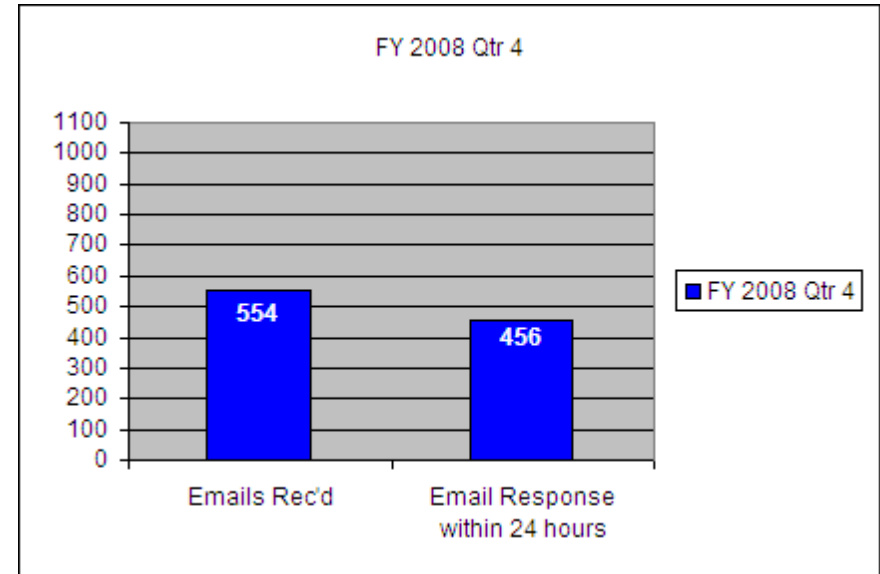
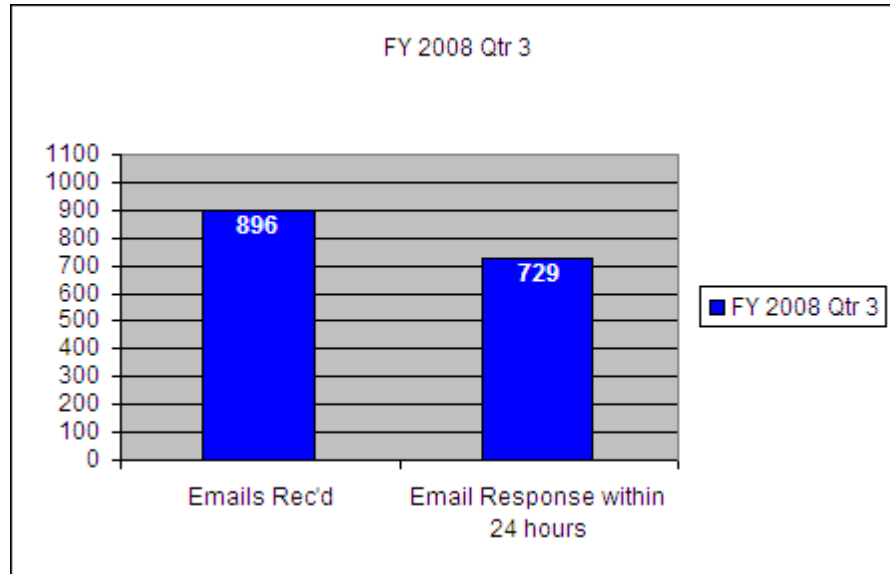
3rd and 4th quarter Fiscal Year 2008

FY '08 Annual Program

Objective: To promptly answer customer emails received by the Division

Output: Number of Emails received and answered

Effectiveness: Increase percentage to 90% answered within 24 hours



Outcome: Provide response within 24 hours to email inquiries, including renewal and restoration emails.

For the two quarters combined, 81.7% of emails received responded to within 24 hours.

ATTACHMENT B

Expectation

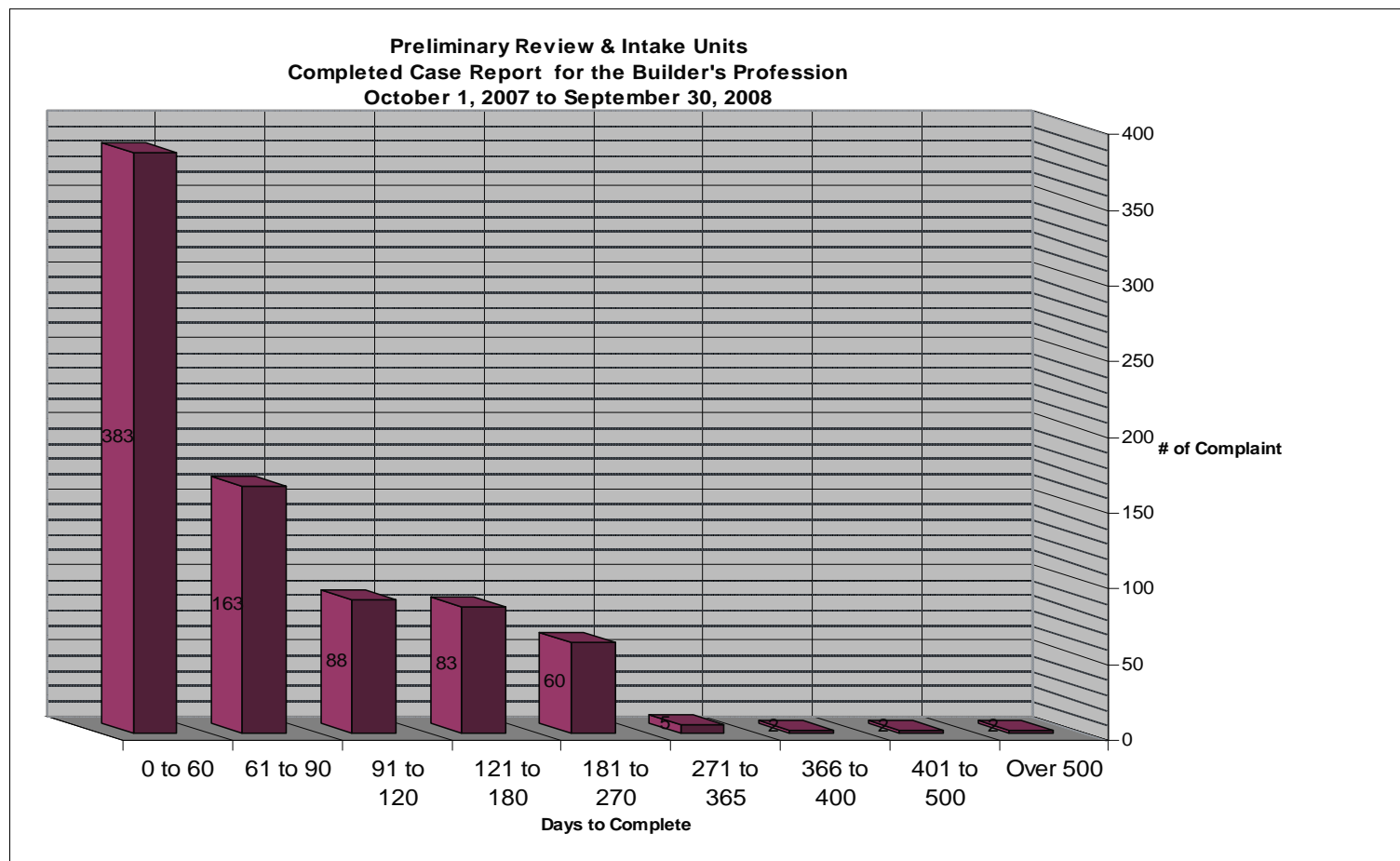
90%

Objective

Builders Complaints Completed

For the reporting period, 516 new builders' complaints were assigned to 3 Preliminary Review workers for investigation in the Technical Unit; this in addition to 133 that were brought forward from the previous fiscal period. Four hundred twenty-three (423) or 65.2% of these cases were completed in the fiscal period.

The following chart illustrates closed case productive results for Article 24 complaints in the Technical Unit for the Preliminary Review and Intake workgroups for the fiscal period ending September 30, 2008:



Department	Appropriation Unit	Program	
Labor & Economic Growth	Occupational Regulation	Commercial Services	ATTACHMENT B
Fiscal Year 2008		Enforcement Division	

The bar graph illustrates 9 closing periods. The x-axis shows the number of days taken to complete the investigation of a builder's complaint in the Technical Unit by the Preliminary Review and Intake workers. The y-axis shows the number of builders' complaints completed within a given time frame. Seven hundred eighty-eight complaints were closed during the period. This includes 365 by Administrative Law Specialists or support in the Intake workgroup.

Outcome: The schematic shows that 69.3%% of the cases were completed within 90 days of receipt by the workgroup. Seven hundred eighty-two (99.5%) of the complaints were completed within 1 year of receipt by the workgroup.

At the end of the fiscal period, 220 Article 24 complaints remained unresolved: 157 in the Preliminary Review workgroup and 63 in the Intake workgroup, 95.91% of which are equal to or less than 180 days of receipt by the agency.

Department Labor & Economic Growth Fiscal Year 2008	Appropriation Unit Occupational Regulation	Program Commercial Services Enforcement Division	ATTACHMENT B
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Expectation

90%

Objective

During the fiscal year 2008, approximately three thousand one hundred forty two (3,142) complaints were opened for this fiscal period. Three thousand one hundred sixty eight (3,168) complaint files closed. Seven hundred twenty one (721) formal complaints were issued, six hundred and sixty five (665) final orders were issued and \$1,887,200 amount of fines assessed.

The following table reports the inspection activities for the fiscal period:

<u><i>Program</i></u>	<u><i>Received</i></u>	<u><i>Inspected</i></u>
<i>Barber Establishment</i>	185	176
<i>Cosmetology Establishment</i>	1,346	1,263
<i>Mortuary Science</i>	44	41
<i>Carnival-Amusement</i>	1,182	1,173
<i>Ski Safety</i>	371	357
<i>Total</i>	3,128	3,010

ATTACHMENT C

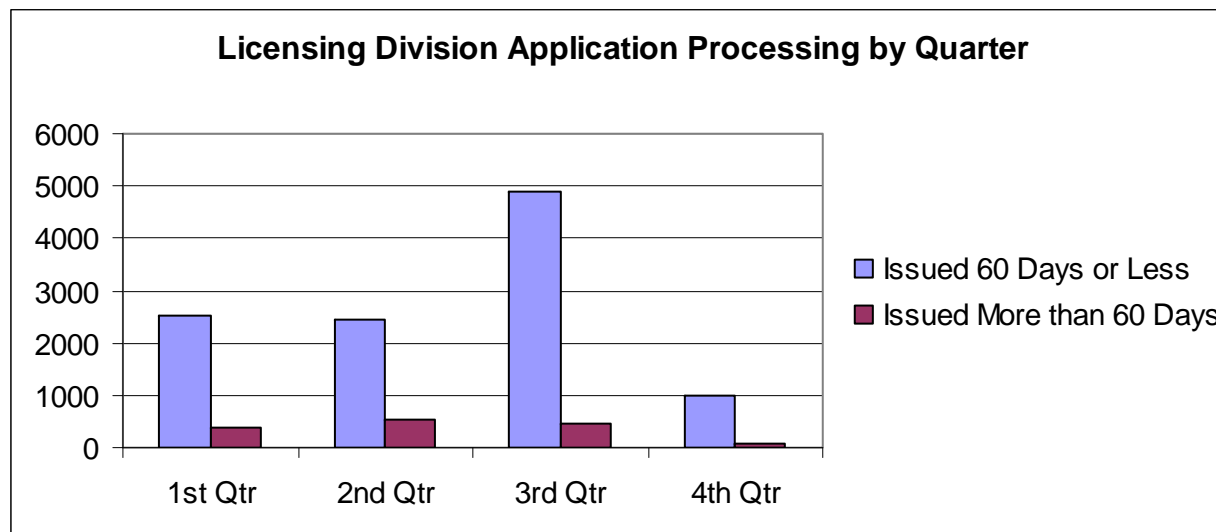
Expectation

75%

Objective

Licenses issued will be completed within 60 days of receipt of the application.

1st Quarter: 86.09% of applications
2nd Quarter: 82.48% of applications
3rd Quarter: 91.13% of applications
4th Quarter: 92.12% of applications



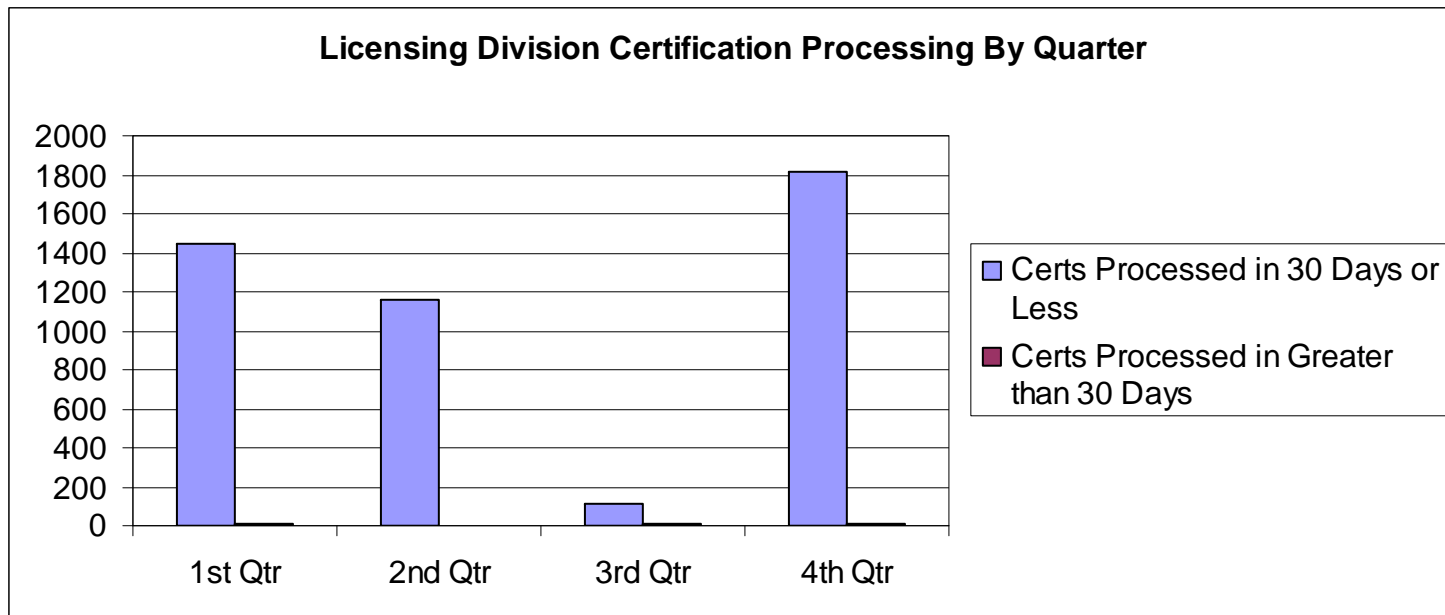
Expectation

75%

Objective

Certifications processed will be completed within 30 days of receipt of the certification request.

1st Quarter: 98.9%
2nd Quarter: 99.6%
3rd Quarter: 99.1%
4th Quarter: 99.85%



ATTACHMENT D

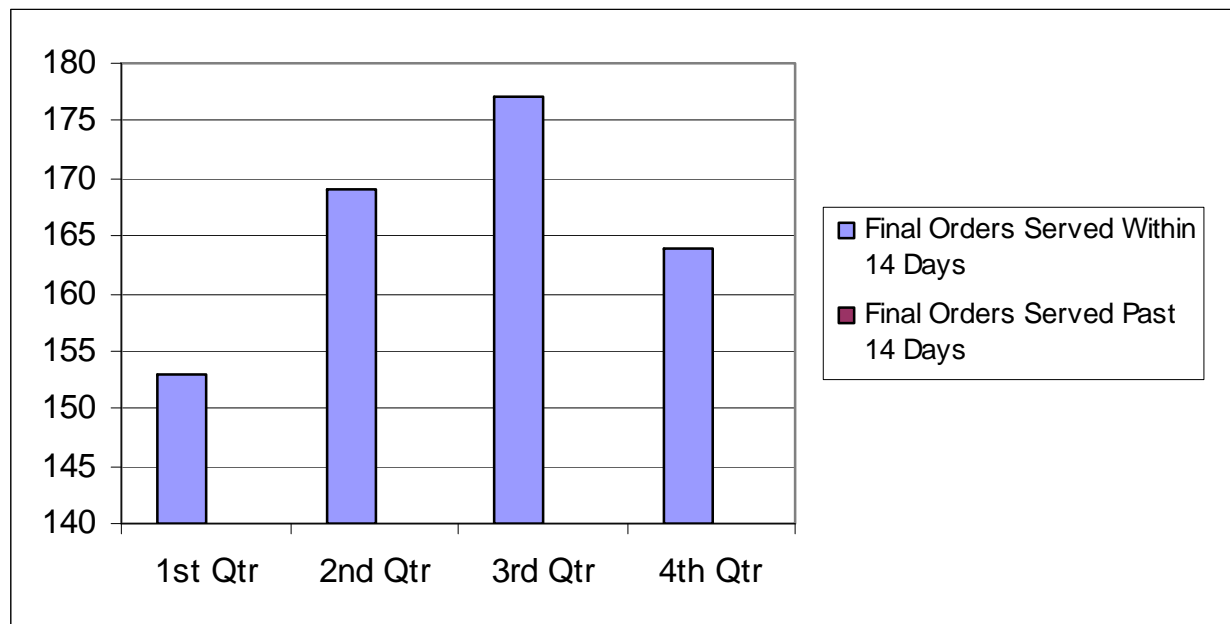
Expectation

90%

Objective

Final Orders served within 14 days of receipt

1st Quarter: 153 Final Orders out of 153 orders to be served
2nd Quarter: 169 Final Orders out of 169 orders to be served
3rd Quarter: 177 Final Orders of 177 orders to be served
4th Quarter: 164 Final Orders of 164 orders to be served



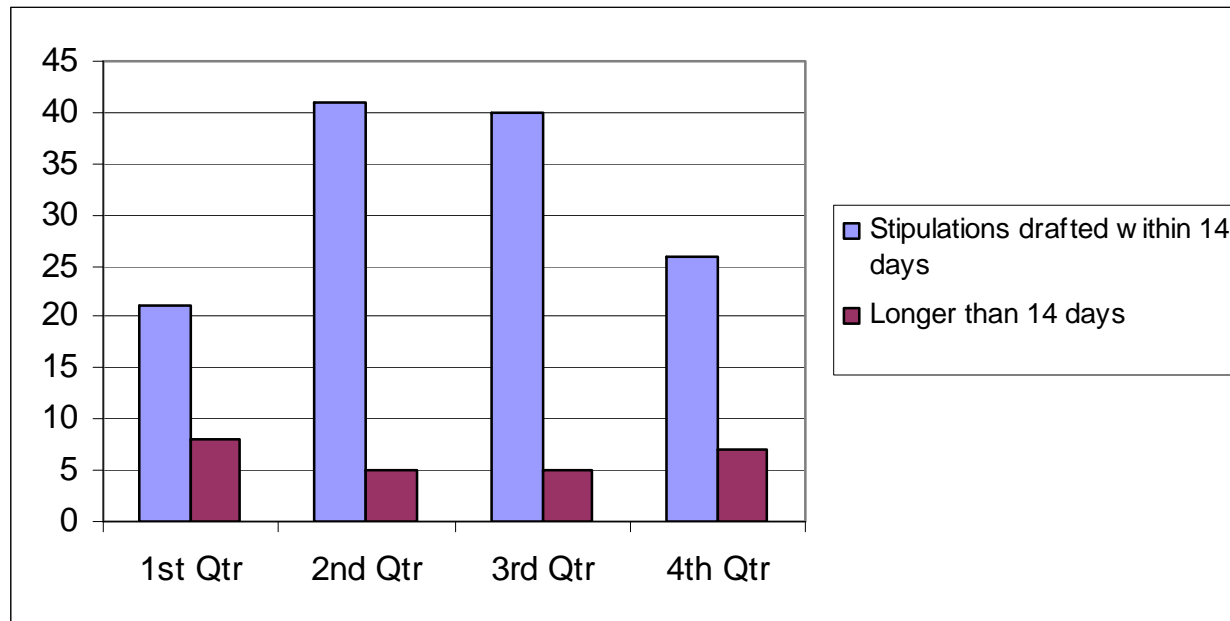
Expectation

90%

Objective

Stipulations drafted within 14 days of compliance conference

1st Quarter: Drafted 21 Stipulations out of 29 to be drafted
2nd Quarter: Drafted 41 Stipulations out of 46 to be drafted
3rd Quarter: Drafted 40 Stipulations out of 45 to be drafted**
4th Quarter: Drafted 26 Stipulations out of 31 to be drafted



Department Labor & Economic Growth Fiscal year 2008	Appropriation Unit Occupational Regulation	Program Commercial Services Legal Affairs Division	ATTACHMENT D
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Expectation

90%

Objective

Process FOIA requests within statutory time frames

1st Quarter: 51 FOIA requests processed out of 61 received
2nd Quarter: 98 FOIA requests processed out of 108 received
3rd Quarter: 119 FOIA requests processed out of 128 received
4th Quarter: 130 FOIA requests processed out of 135 received

